

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
(With Auditors' Report Thereon)



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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**TABLE OF CONTENTS**

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents		i
Official Roster		ii
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		iii
Management's Discussion and Analysis		
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	1
Statement of Activities	A-2	3
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	5
Reconciliation of the Balance Sheet to the Statement of Net Assets		7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	C-1	11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Transportation Fund	C-2	12
Instructional Materials Fund	C-3	13
Title XIX Medicaid	C-4	14
Teacher Incentive Fund Special Revenue Fund	C-5	15
Statement of Fiduciary Assets and Liabilities	D-1	16
Notes to the Financial Statements		17
<b>SUPPLEMENTARY INFORMATION</b>		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	40
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	52
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Food Services Special Revenue Fund	B-3	63
Athletics Special Revenue Fund	B-4	64
Non-Instructional Materials Special Revenue Fund	B-5	65
Title I Special Revenue Fund	B-6	66
IDEA-B Entitlement Special Revenue Fund	B-7	67
Discretionary IDEA-B Special Revenue Fund	B-8	68
Preschool IDEA-B Special Revenue Fund	B-9	69
Education of the Homeless Special Revenue Fund	B-10	70

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**TABLE OF CONTENTS**  
(Continued)

	<u>Statement</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance		
– Budget (Non-GAAP Budgetary Basis) and Actual:		
Enhancing Ed. Thru Tech (E2T2-C) Special Revenue Fund	B-11	71
English Language Acquisition Special Revenue Fund	B-12	72
Teacher/Principal Training & Recruiting Special Revenue Fund	B-13	73
Safe & Drug Free Schools & Community Special Revenue Fund	B-14	74
Rural and Low Income Schools Special Revenue Fund	B-15	75
Title I School Improvement Special Revenue Fund	B-16	76
Immigrant Funding Special Revenue Fund	B-17	77
Reading First Special Revenue Fund	B-18	78
Carl D Perkins Secondary Special Revenue Fund	B-19	79
ARRA Title I ASA Special Rev.Fund	B-20	80
ARRA IDEA-B Federal Stimulus Special Revenue Fund	B-21	81
ARRA Preschool IDEA-B Federal Stimulus Special Rev Fund	B-22	82
Alcohol Abuse Reduction Special Revenue Fund	B-23	83
School Improvement ARRA Special Revenue Fund	B-24	84
Safe and Drug Free Schools Special Revenue Fund	B-25	85
Impact Aid Special Education Special Revenue Fund	B-26	86
Impact Aid Indian Education Special Revenue Fund	B-27	87
GRADS Childcare CYFD Special Revenue Fund	B-28	88
Indian Ed Formula Grant Special Revenue Fund	B-29	89
SEG Federal Stimulus Special Revenue Fund	B-30	90
LANL Foundation Special Revenue Fund	B-31	91
PNM Foundation Inc. Special Revenue Fund	B-32	91
Dual Credit IM Special Revenue Fund	B-33	93
2008 G. O. Bonds Special Revenue Fund	B-34	94
Technology for Education PED Special Revenue Fund	B-35	95
Incentives for School Improvement Act Special Revenue Fund	B-36	96
Family & Youth Special Revenue Fund	B-37	97
Truancy Initiative PED Special Revenue Fund	B-38	98
Beginning Teacher Mentoring Program Special Revenue Fund	B-39	99
Breakfast of Elementary Students Special Revenue Fund	B-40	100
Extended School Day Program Special Revenue Fund	B-41	101
Schools on the Rise Special Revenue Fund	B-42	102
Rural Ed Summer Enrichment Program Special Revenue Fund	B-43	103
Kindergarten Three Plus Special Revenue Fund	B-44	104
2006 SB301 GO Bond Special Revenue Fund	B-45	105
After School Learning Programs Special Revenue Fund	B-46	106
NM Standards Based Student Tracking Special Revenue Fund	B-47	107
Summer Reading, Math and Science Institute Special Rev Fund	B-48	108
G.O. Library Books Special Rev. Fund	B-49	109
NM Highway Department Special Revenue Fund	B-50	110
AP NM Incentive Funding Special Revenue Fund	B-51	111
Private Direct Grants Special Revenue Fund	B-52	112
McCune Charitable Foundation Special Revenue Fund	B-53	113
School Based Health Clinics Special Revenue Fund	B-54	114
Combining Balance Sheet – Nonmajor Capital Project Funds	C-1	115
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	C-2	116
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**TABLE OF CONTENTS**  
(Continued)

	<u>Statement</u>	<u>Page</u>
Bond Building Capital Projects Fund	C-3	117
Public School Capital Outlay Capital Projects Fund	C-4	118
Special Capital Outlay - State Capital Projects Fund	C-5	119
Capital Improvements SB-9 Capital Projects Fund	C-6	120
Education Technology Equipment Act Capital Projects Fund	C-7	121
Combining Balance Sheet – Nonmajor Debt Service Funds	D-1	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	D-2	123
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Debt Service Fund	D-3	124
Deferred Sick Leave Debt Service Fund	D-4	125
Educational Technology Debt Service Fund	D-5	126
<b>Component Unit:</b>		
Component Unit – Balance Sheet	F-1	127
Component Unit – Statement of Revenues, Expenses and Changes in Fund Balance	F-2	130
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual:		
Operational Fund	F-3	133
Instructional Materials Fund	F-4	134
Non-Instructional Support Special Revenue Fund	F-5	135
Entitlement IDEA-B Special Revenue Fund	F-6	136
Public Charter Program – Planning Special Revenue Fund	F-7	137
Public Charter Program – Implementation Special Revenue Fund	F-8	138
Libraries – SB301 GO Bonds Special Revenue Fund	F-9	139
Public School Capital Outlay Capital Projects Fund	F-10	140
Special Capital Outlay – State Capital Projects Fund	F-11	141
Schedule of Cash and Investments	Sch F-I	142
Cash Reconciliation	Sch F-2	143
 <b>SUPPORTING SCHEDULES:</b>		
Schedule of Changes in Assets and Liabilities – Agency Funds	I	145
Schedule of Collateral Pledged by Depository for Public Funds	II	146
Schedule of Cash and Temporary Investment Accounts	III	147
Cash Reconciliation	IV	148
 <b>COMPLIANCE SECTION</b>		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		152
 <b>FEDERAL FINANCIAL ASSISTANCE</b>		
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133		154
Schedule of Expenditures of Federal Awards	V	156
Schedule of Findings and Questioned Costs	VI	158

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**OFFICIAL ROSTER**  
**JUNE 30, 2010**

<u><b>Name</b></u>	<u><b>Board of Education</b></u>	<u><b>Title</b></u>
Ms. Joann V. Salazar		President
Mr. Floyd E. Archuleta		Vice President
Mr. Andrew J. Chavez		Secretary
Mr. Leonard J. Valerio		Member
Mr. Jose I. "Coco" Archuleta		Member
	<u><b>School Officials</b></u>	
Mr. Janette Archuleta		Superintendent
Ms. Debbie Valdez		Business Manager



**FINANCIAL SECTION**

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# Griego Professional Services, LLC

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Hector Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Española Public School District  
Española, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general funds and major special revenue fund of Española Public School District, New Mexico, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Española Public School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

We were unable to determine the validity of the list of capital assets or related accumulated depreciation, stated in the accompanying financial statements at \$78,021,502 and (\$26,914,463) as of June 30, 2010. We were unable to determine the correct amount of capital assets, accumulated depreciation, or current year depreciation by alternate procedures. The effect of the Statement of Net Assets total assets and net assets, and the Statement of Activities depreciation expense are not readily determinable.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient documentary evidence to determine the capital assets and depreciation balance, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Española Public School District, New Mexico, as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Española Public School District, New Mexico as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service fund and all nonmajor funds for the year then ended in conformity with account principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2011 on our consideration of Española Public School District, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Española Public School District, New Mexico has not presented the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the Española Public School District's basic financial statements and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Grigo Professional Services, LLC".

Albuquerque, New Mexico  
January 10, 2011

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

Exhibit A-1  
(Page 1 of 2)

	<b>Primary Government</b>		<b>Component</b>
<b>ASSETS</b>	<b>Governmental</b>		<b>Unit</b>
	<b>Activities</b>		<b>Unit</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 9,791,872	\$	135,389
Property taxes receivable	1,542,297	-	
Other receivables	1,797,001	34,842	
Inventory	202,633	58,253	
Total current assets	13,333,803	228,484	
<b>Noncurrent assets:</b>			
Bond issuance costs (net of amortization )	20,314	-	
<b>Capital assets (net of accumulated depreciation):</b>			
Land	4,852,702	-	
Buildings and building improvements	67,090,096	-	
Furniture, fixtures and equipment	6,355,870	-	
Less: accumulated depreciation	(29,483,471)	-	
Total noncurrent assets	48,835,511	-	
Total assets	\$ 62,169,314	\$	228,484

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

Exhibit A-1  
(Page 2 of 2)

	<b>Primary Government Governmental Activities</b>	<b>Component Unit</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 214,640	\$ -
Accrued compensated absences	41,336	3,856
Accrued payroll liabilities	2,415,018	84,156
Deferred revenue	604,377	-
Accrued interest	267,240	-
Current portion of bonds payable	2,200,000	-
Total current liabilities	5,742,611	88,012
Noncurrent liabilities:		
Bond underwriter premiums (net of amortization)	3,510	-
Bonds Payable	11,430,000	-
Accrued compensated absences	203,540	-
Total noncurrent liabilities	11,637,050	-
Total liabilities	17,379,661	88,012
Invested in capital assets, net of related debt	35,185,197	-
Restricted for:		
Debt service	4,471,006	-
Capital projects	4,164,885	(105,131)
Unrestricted	968,565	245,603
Total net assets	44,789,653	140,472
Total liabilities and net assets	\$ 62,169,314	\$ 228,484

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>
<b>Primary Government</b>			
Governmental activities:			
Education:			
Instruction	\$ 24,991,435	\$ 167,514	\$ 9,856,834
Support services:			
Students	5,090,331	1,033	372,527
Instruction	1,149,077	-	1,231,078
General Administration	1,042,802	-	-
School Administration	2,288,754	-	784,846
Other Support Services	35,913	-	-
Central Services	1,381,040	-	-
Operation & Maintenance of Plant	7,572,925	-	-
Student Transportation	1,881,993	-	1,912,087
Food Services Operation	1,908,315	25,842	1,811,084
Interest on long-term debt	847,603	-	-
Depreciation-unallocated	2,569,008	-	-
Total governmental activities	<u>50,759,196</u>	<u>194,389</u>	<u>15,968,456</u>
<b>Component Unit</b>	<u>\$ 1,732,453</u>	<u>44,013</u>	<u>251,494</u>

**General Revenues:**

Property taxes:  
    Levied for general purposes  
    Levied for debt service  
    Levied for capital projects  
State Equalization Guarantee  
Unrestricted investment earnings  
Miscellaneous  
    Total general revenues

Change in net assets  
Net assets - beginning  
Restatement (Note 14)  
Restated net assets - beginning  
Net assets - ending

The accompanying notes are an integral part of these financial statements

<b>Net (Expense) Revenue and Changes in Net Assets</b>		
<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Component Unit</u>
\$ -	\$ (14,967,087)	\$ -
-	(4,716,771)	-
-	82,001	-
-	(1,042,802)	-
-	(1,503,908)	-
-	(35,913)	-
-	(1,381,040)	-
192,848	(7,380,077)	-
-	30,094	-
-	(71,389)	-
-	(847,603)	-
-	(2,569,008)	-
<u>192,848</u>	<u>(34,403,503)</u>	<u>-</u>
<u>-</u>		<u>\$ (1,436,946)</u>
	\$ 82,639	\$ -
	2,190,716	-
	37,620	-
	28,303,320	1,538,625
	257,470	-
	139,832	-
	<u>31,011,597</u>	<u>1,538,625</u>
	(3,391,906)	101,679
	48,191,819	38,793
	(10,260)	-
	<u>48,181,559</u>	<u>38,793</u>
	<u>\$ 44,789,653</u>	<u>\$ 140,472</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	Operational Fund			Title XIX Medicaid 25153
	General 11000	Transportation 13000	Instructional Materials 14000	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ 953,108	\$ -	\$ 121	\$ 354,629
Accounts receivable				
Taxes	43,051	-	-	-
Due from other governments	4,863	-	-	24,588
Interfund receivables	2,226,309	-	-	-
Other	36,145	-	-	-
Inventory	58,779	-	-	-
<i>Total assets</i>	<u>3,322,255</u>	<u>-</u>	<u>121</u>	<u>379,217</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	71,702	-	72,479	-
Accrued payroll liabilities	1,720,178	-	-	-
Interfund payables	-	14,168	-	-
Deferred revenue - property taxes	41,260	-	-	-
Deferred revenue - other	-	-	-	379,217
<i>Total liabilities</i>	<u>1,833,140</u>	<u>14,168</u>	<u>72,479</u>	<u>379,217</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	58,779	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in				
General Fund	1,430,336	(14,168)	(72,358)	-
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>1,489,115</u>	<u>(14,168)</u>	<u>(72,358)</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 3,322,255</u>	<u>\$ -</u>	<u>\$ 121</u>	<u>\$ 379,217</u>

The accompanying notes are an integral part of these financial statements

Teacher Incentive Fund 26182	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ 3,503,470	\$ 2,512,057	\$ 2,468,487	\$ 9,791,872
-	-	1,270,120	229,126	1,542,297
-	-	-	1,716,405	1,745,856
-	-	-	-	2,226,309
-	-	-	15,000	51,145
-	-	-	143,854	202,633
-	3,503,470	3,782,177	4,572,872	15,560,112
-	-	-	70,459	214,640
694,840	-	-	-	2,415,018
242,801	-	-	1,969,340	2,226,309
-	-	1,217,281	219,594	1,478,135
-	-	-	225,160	604,377
937,641	-	1,217,281	2,484,553	6,938,479
-	-	-	143,854	202,633
-	-	2,564,896	506,855	3,071,751
-	3,503,470	-	634,055	4,137,525
-	-	-	-	1,343,810
(937,641)	-	-	803,555	(134,086)
(937,641)	3,503,470	2,564,896	2,088,319	8,621,633
\$ -	\$ 3,503,470	\$ 3,782,177	\$ 4,572,872	\$ 15,560,112

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**GOVERNMENTAL FUNDS**

Exhibit B-1  
(Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	8,621,633
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	48,815,197
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,478,135
Bond issuance costs, including original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds	
Bond issuance costs net of accumulated amortization	20,314
Bond underwriter premiums net of accumulated amortization	(3,510)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(267,240)
Accrued compensated absences	(244,876)
General obligation bonds	(13,630,000)
Net Assets-total Governmental Activities	44,789,653

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Operational Fund			Title XIX Medicaid 25153
	General 11000	Transportation 13000	Instructional Materials 14000	
<i>Revenues:</i>				
Property taxes	\$ 81,133	\$ -	\$ -	\$ -
State grants	28,733,838	1,912,087	171,063	-
Federal grants	1,012,926	-	-	350,788
Charges for services	32,755	-	-	-
Miscellaneous	135,832	-	-	-
Interest	140,251	-	-	-
<i>Total revenues</i>	<u>30,136,735</u>	<u>1,912,087</u>	<u>171,063</u>	<u>350,788</u>
<i>Expenditures:</i>				
Current:				
Instruction	18,158,449	-	478,070	57,184
Support Services				
Students	4,280,459	-	-	223,146
Instruction	544,639	-	22,560	-
General Administration	884,206	-	-	-
School Administration	2,043,798	-	-	-
Central Services	1,207,512	-	-	70,458
Operation & Maintenance of Plant	3,796,184	-	-	-
Student Transportation	30,910	1,926,255	-	-
Other Support Services	35,913	-	-	-
Food Services Operations	20,182	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>31,002,252</u>	<u>1,926,255</u>	<u>500,630</u>	<u>350,788</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(865,517)</u>	<u>(14,168)</u>	<u>(329,567)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	(105,891)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(105,891)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(971,408)	(14,168)	(329,567)	-
<i>Fund balances - beginning of year</i>	2,460,523	-	257,209	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>2,460,523</u>	<u>-</u>	<u>257,209</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,489,115</u>	<u>\$ (14,168)</u>	<u>\$ (72,358)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



Teacher Incentive Fund 26182	Bond Building 31100	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 2,248,410	\$ 483,174	\$ 2,812,717
-	-	-	1,182,003	31,998,991
-	-	-	10,109,112	11,472,826
-	-	-	161,634	194,389
276,344	-	-	720,463	1,132,639
-	63,323	29,192	24,704	257,470
<u>276,344</u>	<u>63,323</u>	<u>2,277,602</u>	<u>12,681,090</u>	<u>47,869,032</u>
1,164,210	-	-	5,226,714	25,084,627
-	-	-	586,726	5,090,331
-	-	-	581,878	1,149,077
11,804	-	23,172	123,620	1,042,802
37,971	-	-	206,985	2,288,754
-	-	-	103,070	1,381,040
-	-	-	2,859,371	6,655,555
-	-	-	73,328	2,030,493
-	-	-	-	35,913
-	-	-	1,921,040	1,941,222
-	36,307	-	873,307	909,614
-	-	1,960,000	375,000	2,335,000
-	-	530,963	49,400	580,363
<u>1,213,985</u>	<u>36,307</u>	<u>2,514,135</u>	<u>12,980,439</u>	<u>50,524,791</u>
<u>(937,641)</u>	<u>27,016</u>	<u>(236,533)</u>	<u>(299,349)</u>	<u>(2,655,759)</u>
-	-	-	105,891	-
-	-	-	105,891	-
(937,641)	27,016	(236,533)	(193,458)	(2,655,759)
-	3,476,454	2,801,429	2,281,777	11,277,392
-	-	-	-	-
-	3,476,454	2,801,429	2,281,777	11,277,392
<u>\$ (937,641)</u>	<u>\$ 3,503,470</u>	<u>\$ 2,564,896</u>	<u>\$ 2,088,319</u>	<u>\$ 8,621,633</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Exhibit B-2  
(Page 2 of 2)

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (2,655,759)
<p>Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Depreciation expense	(2,569,008)
Capital Outlays	277,166
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>	
Change in deferred revenue related to property taxes receivable	(501,742)
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when statement of activities:</p>	
Amortization of bond issuance costs	(9,376)
Amortization of bond premiums	1,620
Increase in accrued interest payable	(267,240)
Increase in accrued compensated absences	(2,567)
Principal payments on bonds	<u>2,335,000</u>
Change in Net Assets-total Governmental Activities	<u><u>\$ (3,391,906)</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**GENERAL FUND**

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 80,972	\$ 80,972	\$ 79,342	\$ (1,630)
State grants	30,393,802	28,764,040	28,722,830	(41,210)
Federal grants	947,056	947,056	1,012,926	65,870
Miscellaneous	75,000	75,000	138,587	63,587
Interest	100,000	100,000	140,251	40,251
<i>Total revenues</i>	<u>31,596,830</u>	<u>29,967,068</u>	<u>30,093,936</u>	<u>126,868</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,408,700	18,890,688	18,149,945	740,743
Support Services				
Students	4,497,958	4,562,847	4,273,835	289,012
Instruction	690,950	640,950	544,639	96,311
General Administration	943,718	957,463	884,206	73,257
School Administration	2,335,105	2,285,105	2,043,798	241,307
Central Services	1,294,202	1,308,203	1,207,512	100,691
Operation & Maintenance of Plant	4,813,119	3,652,637	3,731,106	(78,469)
Student Transportation	76,000	76,000	30,910	45,090
Other Support Services	7,539	43,453	35,913	7,540
Food Services Operations	-	20,183	20,182	1
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>34,067,291</u>	<u>32,437,529</u>	<u>30,922,046</u>	<u>1,515,483</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,470,461)</u>	<u>(2,470,461)</u>	<u>(828,110)</u>	<u>1,642,351</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,470,461	2,470,461	-	(2,470,461)
Operating transfers	-	-	(105,891)	(105,891)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,470,461</u>	<u>2,470,461</u>	<u>(105,891)</u>	<u>(2,576,352)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(934,001)</u>	<u>(934,001)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,393,240</u>	<u>2,393,240</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,459,239</u>	<u>\$ 1,459,239</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			42,799	
Adjustments to expenditures			(80,206)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (971,408)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**TRANSPORTATION FUND**

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,447,266	1,926,546	1,912,087	(14,459)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	1,447,266	1,926,546	1,912,087	(14,459)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	1,447,266	1,926,546	1,926,255	291
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,447,266	1,926,546	1,926,255	291
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(14,168)	(14,168)
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	(14,168)	(14,168)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (14,168)	\$ (14,168)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (14,168)	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**INSTRUCTIONAL MATERIALS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	170,753	170,753	171,063	310
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>170,753</u>	<u>170,753</u>	<u>171,063</u>	<u>310</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	483,289	483,289	440,654	42,635
Support Services				
Students	-	-	-	-
Instruction	31,889	31,889	22,560	9,329
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>515,178</u>	<u>515,178</u>	<u>463,214</u>	<u>51,964</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(344,425)</u>	<u>(344,425)</u>	<u>(292,151)</u>	<u>52,274</u>
<i>Other financing sources (uses):</i>				
Designated cash	344,425	344,425	-	(344,425)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>344,425</u>	<u>344,425</u>	<u>-</u>	<u>(344,425)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(292,151)</u>	<u>(292,151)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>292,272</u>	<u>292,272</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121</u>	<u>\$ 121</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(37,416)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (329,567)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**TITLE XIX MEDICAID**

Exhibit C-4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	150,000	150,000	343,759	193,759
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	150,000	150,000	343,759	193,759
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	100,000	100,000	57,184	42,816
Support Services				
Students	155,774	155,774	223,146	(67,372)
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	129,719	129,719	70,458	59,261
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	385,493	385,493	350,788	34,705
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(235,493)	(235,493)	(7,029)	228,464
<i>Other financing sources (uses):</i>				
Designated cash	235,493	235,493	-	(235,493)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	235,493	235,493	-	(235,493)
<i>Net changes in fund balances</i>	-	-	(7,029)	(7,029)
<i>Fund balances - beginning of year</i>	-	-	361,658	361,658
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 354,629	\$ 354,629
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,029	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**TEACHER INCENTIVE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	1,530,000	261,786	(1,268,214)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,530,000</u>	<u>261,786</u>	<u>(1,268,214)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,389,310	480,283	909,027
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	32,790	11,804	20,986
School Administration	-	107,900	27,058	80,842
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,530,000</u>	<u>519,145</u>	<u>1,010,855</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(257,359)</u>	<u>(257,359)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(257,359)	(257,359)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>14,558</u>	<u>14,558</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (242,801)</u>	<u>\$ (242,801)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			14,558	
Adjustments to expenditures			(694,840)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (937,641)</u>	

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2010**

Exhibit D-1

	<u>Agency Funds</u>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash	\$ 581,930
<i>Total assets</i>	<u>581,930</u>
<b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Deposits held in trust for others	581,930
<i>Total liabilities</i>	<u>581,930</u>
<b>NET ASSETS</b>	
Unrestricted Net Assets	<u>-</u>
<i>Total Net Assets</i>	<u>-</u>
<i>Total net assets and liabilities</i>	<u>\$ 581,930</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies**

The Española Public School District was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The Board selects a superintendent who administers the District.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Española Public School District's management, who is responsible for their integrity and objectivity. The financial statements of the Española Public School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles, Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Government-Wide financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles, Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

*A. Financial Reporting Entity*

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has one *component unit*, Carinos Charter School, as defined by GASB Statement No. 14 as there are one other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the District meets the criteria for including as component units. There are no other primary governments with which the District has a significant relationship.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*B. Government-wide and fund financial statements (Continued)*

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise fund are reported as separate columns in the fund financial statements.

*C. Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Property taxes are recognized as revenues in the year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (Continued)*

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which may include funds that were not required to be presented as major but were at the discretion of management:

*Operational Funds:*

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Title XIX MEDICAID 3/21 Years* is used to account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

The *Teacher Incentive Fund* is used to account for a U.S. Department of Education pass-through grant from the State of New Mexico Northern New Mexico Network for Rural Education.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

Additionally, the government reports the following fund types:

*Fiduciary Funds:*

The fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. These funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or student organizations.

*Agency Funds:*

Agency funds are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activity funds – accounts for assets held by the District as an agent for the individual schools and school organization.

Clearing agency fund – accounts for assets held by the District before they are remitted to other entities such as withholdings including pension, retiree health care, and others.

Component Unit – Charter School

The District has one Charter School, Carinos Charter School, which was established by order of the Secretary of Education in the fiscal year ended June 30, 2006. The Charter School meets the State Auditor's criteria for inclusion as a component unit. The Charter School is presented discretely. The Charter Schools did not have any component units. If it had any component units similar to fiduciary funds, it would not be incorporated into the government-wide financial statements. The component unit would have been treated as a major fund for financial statement preparation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I and IDEA-B to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from the state resources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenues.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (Continued)*

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with the function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identifies by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from the non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the District's enterprise fund is fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*D. Assets, Liabilities and Net Assets or Equity*

**Cash and Investments:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the Pool is the same as the fair value of the pool shares.

**Restricted Assets:** Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

**Receivables and Payables:** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Rio Arriba County. The funds are collected by the County Treasurer and are remitted to the District in the following month. Under the modified accrual method of accounting, the amount remitted by the Rio Arriba County Treasurer's in July and August 2010 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund financial statements during the year ended June 30, 2010.

Certain Special Revenue funds are administered on a reimbursement method of funding, other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*D. Assets, Liabilities and Net Assets or Equity - (continued)*

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while fifty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the fifty percent account for requisition of material from the adopted list. The Districts are allowed to carry forward unused textbook credits from year to year.

**Inventory:** Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the General and Food Services funds consists of expendable supplies held for consumption and related supplies. The cost is recorded as an expenditure at the time individual inventory items are purchased. The reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net assets.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Library books are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2010.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Land improvements	20 years
Buildings/building improvements	40 years
Furniture and equipment	3-10 years
Vehicles	10 years

**Deferred Revenues:** The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*D. Assets, Liabilities and Net Assets or Equity - (continued)*

**Compensated Absences:** Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period the bonds are issued. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

**Net Assets or Fund Equity:** In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

In the government-wide financial statements, fund equity is classified as net assets and is displayed in three components:

*Invested in capital assets, net of related debt:* Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Assets:* Consists of net assets with constraints “legally enforceable” constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Legally Enforceable is means that a government can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation, only for the purposes specified by the legislation. Generally, the enforceability of an enabling legislation restriction is determined by professional judgment. If it is determined that the restrictions continue to be legally enforceable, then for the purposes of financial reporting, the restricted net assets should not reflect and reduction for resources used for purposes not stipulated by the enabling legislation. Descriptions for the related restrictions for net assets are restricted for “debt service or capital projects.”

*Unrestricted Net Assets:* All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”



**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*D. Assets, Liabilities and Net Assets or Equity - (continued)*

**Interfund Transactions:** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

*E. Revenues*

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost.

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The Schools received \$28,303,320 in state equalization guarantee distributions during the year ended June 30, 2010.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available' on a modified accrual basis. The District recognized \$2,310,975 in tax revenues during the year ended June 30, 2010. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1<sup>st</sup> of each year to be paid in whole or in two installments by November 10<sup>th</sup> and April 10<sup>th</sup> of each year. Rio Arriba County collects County, City, and School taxes and distributes them to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,912,087 in transportation distributions during the year ended June 30, 2010.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*E. Revenues – (continued)*

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2010 totaled \$171,063.

**Public School Capital Outlay:** Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The school district is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2010, the District received \$33,470 in special capital outlay funds.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Outlay Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The district received \$159,378 in state SB-9 matching during the year end June 30, 2010.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*E. Revenues (Continued)*

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program is operated under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives revenues from Federal department which are unrestricted to expenditures for special purposes. These revenues are reported in the Operational Fund.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP (Cash) budgetary basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a designated portion of the fund balance.

Actual expenditures may not exceed the budget at the function level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the District for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 2. Stewardship, Compliance and Accountability – (Continued)**

*Budgetary Information (Continued)*

4. The “operating” budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the District and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year’s budget. The budget of Española Public School District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
11. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2010, is presented.

The District is required to balance its budgets each year. Accordingly, amounts in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 3. Cash and Temporary Investments**

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2010.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The collateral pledged is listed on Schedule II of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

**Primary Government**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than the following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978.) At June 30, 2010, \$11,463,110 of the District's deposits of \$11,963,110 was exposed to custodial credit risk. \$11,463,110 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. As of June 30, 2010, the carrying amount of these deposits was \$10,358,552. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 3. Cash and Temporary Investments (Continued)**

	<u>National Bank</u>	<u>Bank of America</u>	<u>Totals</u>
Amount of Deposits	\$ 10,264,065	\$ 1,699,045	\$ 11,963,110
FDIC Coverage	250,000	250,000	500,000
Total uninsured public funds	<u>\$ 10,014,065</u>	<u>\$ 1,449,045</u>	<u>\$ 11,463,110</u>
 Pledged collateral held by pledging bank's trust department or agent but not in agency's name	 <u>(15,385,213)</u>	 <u>(2,461,315)</u>	 <u>(17,846,528)</u>
 Uninsured and uncollateralized	 (5,371,148)	 (1,012,270)	 (6,383,418)
 Collateral requirement (50%)	 \$ 5,007,033	 \$ 724,523	 \$ 5,731,555
Pledged Securities	<u>15,385,213</u>	<u>2,461,315</u>	<u>17,846,528</u>
(Over) under collateralized	<u>\$ (10,378,181)</u>	<u>\$ (1,736,793)</u>	<u>\$ (12,114,973)</u>

**Reconciliation of Cash and Temporary Investments**

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 9,791,872
Statement of Fiduciary Net Assets - cash per Exhibit D-1	<u>566,680</u>
	10,358,552
Add outstanding checks and other reconciling items	<u>2,192,102</u>
 Bank balance of deposits	 <u>\$ 12,550,654</u>

**Investments**

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The District had the following temporary investments at June 30, 2010:

<u>Investments</u>	<u>Fair Value</u>	<u>Investment Maturities Less than One Year</u>
Money Market at Valley National Bank, Espanola, New Mexico	\$ 6,408,947	\$ 6,408,947
State Investment	<u>587,544</u>	<u>587,544</u>
Total	<u>\$ 6,996,491</u>	<u>\$ 6,996,491</u>

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 3. Cash and Temporary Investments (Continued)**

The District's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the state or by the United States government, or by their departments or agencies, and which are either direct obligations of the state or the United States or are backed by the full faith and credit of those governments.

*Custodial Credit Risk:* State statutes authorize the investment of school district funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool and money market accounts. The District is also allowed to invest in United States Government obligations. The District's investment policy does not further its investment choices.

The State Treasurer Local Government Investment Pool is not registered with the SEC. Section 6-10-10 1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount or fair market value of these investments approximates cost. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary. The State Treasurer Local Government investment is rated AAAM by Standard and Poor's; its WAM is 50 as of June 30, 2010.

**Component Unit**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure, the Charter Schools deposits may not be returned to it. The Charter School does not have a deposit policy for custodial credit risk. At June 30, 2010, \$34,242 of the Charter School's deposits of \$284,242 was exposed to custodial credit risk as it was uninsured and uncollateralized. As of June 30, 2010, the carrying amount of these deposits was \$135,389. The Charter School is a 501(c)(3) tax exempt organization not subject to the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

	Valley National Bank
Amount of Deposits	\$ 284,242
FDIC Coverage	250,000
Total uninsured public funds	\$ 34,242

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 3. Cash and Temporary Investments (Continued)**

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	
Component Unit	\$ 135,389
Outstanding checks and other reconciling items	<u>148,853</u>
Bank balance of cash and temporary investments	<u><u>\$ 284,242</u></u>

**NOTE 4. Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. The reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

Inventories at June 30, 2010 consisted of the following:

General Fund:	
Operational account (maintenance supplies)	<u>58,779</u>
	<u>\$ 58,779</u>
Special Revenue Fund:	
Cafeteria	<u>143,854</u>
	<u>\$ 143,854</u>

**NOTE 5. Receivables**

Receivables as of June 30, 2010 are as follows:

	General	Title XIX Medicaid	Debt Service Fund	Total Nonmajor Funds	Total
Property Taxes	\$ 43,051	\$ -	1,270,120	\$ 229,126	\$ 1,542,297
Intergovernmental-grants:	4,863	24,588	-	1,870,121	1,899,572
Other:	<u>36,145</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>51,145</u>
<b>Total</b>	<u><u>\$ 84,059</u></u>	<u><u>\$ 24,588</u></u>	<u><u>\$ 1,270,120</u></u>	<u><u>\$ 2,114,247</u></u>	<u><u>\$ 3,493,014</u></u>

The above receivables are deemed 100% collectible. In accordance with GASB #33, property taxes receivable are presented net of deferred revenue of \$1,478,135 on the governmental fund financial statements.

Other receivables consist of credits, refunds and settlements totaling \$51,145.



**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 5. Receivables (continued)**

**Component Unit**

	Title XIX Medicaid	ROTC	Total
Intergovernmental-grants:	\$ 840	\$ 34,002	\$ 34,842

**NOTE 6. Interfund Receivables, Payables, and Transfers**

Net operating transfers, which were made to close out funds and to supplement grants were as follows:

Governmental Activities:

	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 105,891
Nonmajor Funds:		
English Language Acquisition	105,891	-
Total Governmental Activities	\$ 105,891	\$ 105,891

The District records temporary interfund receivable and payables to enable the funds to operate until grant monies are received. The composition of interfund balances as of June 30, 2010 is as follows:

Governmental Activities:

	Interfund Receivables	Interfund Payables
Major Funds:		
General	\$ 2,226,309	\$ -
Transportation	-	14,168
Teacher Incentive Fund	-	242,801
Nonmajor Funds:		
Special Revenue Funds	-	1,840,017
Capital Project Funds	-	129,323
Total Governmental Activities	\$ 2,226,309	\$ 2,226,309

All Interfund balances are to be paid within one year.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 7. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2010 follows. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2009	Additions	Transfers	Deletions	Balance June 30, 2010
Capital Assets not being depreciated					
Land improvements	\$ 4,852,702	\$ -	\$ -	\$ -	\$ 4,852,702
<b>Total assets not being depreciated</b>	<b>4,852,702</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,852,702</b>
Capital Assets used in Governmental Activities					
Building and building improvements	67,090,096	-	-	-	67,090,096
Furniture, fixtures, & equipment	6,078,704	277,166	-	-	6,355,870
<b>Total assets being depreciated</b>	<b>73,168,800</b>	<b>277,166</b>	<b>-</b>	<b>-</b>	<b>73,445,966</b>
<b>Total assets</b>	<b>78,021,502</b>	<b>277,166</b>	<b>-</b>	<b>-</b>	<b>78,298,668</b>
Less Accumulated Depreciation for:					
Building and building improvements	24,136,063	2,310,754	-	-	26,446,817
Furniture, fixtures, & equipment	2,778,400	258,254	-	-	3,036,654
<b>Total Accumulated Depreciation</b>	<b>26,914,463</b>	<b>2,569,008</b>	<b>-</b>	<b>-</b>	<b>29,483,471</b>
<b>Total Capital Assets, being depreciated</b>	<b>46,254,337</b>	<b>(2,291,842)</b>	<b>-</b>	<b>-</b>	<b>43,962,495</b>
<b>Governmental activities capital assets, net:</b>	<b>\$ 51,107,039</b>	<b>\$ (2,291,842)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,815,197</b>

Capital assets, net of accumulated depreciation, at June 30, 2010 appear in the Statement of Net Assets and/or the Fund Statements Balance Sheets as follows: Governmental activities.

Depreciation expense for the year ended June 30, 2010 in the amount of \$2,569,008 was not charged to governmental activities. The entire amount is considered unallocated.

**NOTE 8. Long-term Debt**

During the year ended June 30, 2010 the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year
General Obligation Bonds	\$ 15,965,000	\$ -	\$ 2,335,000	\$ 13,630,000	\$ 2,200,000
Compensated Absences	242,309	260,824	258,257	244,876	41,336
<b>Total</b>	<b>\$ 16,207,309</b>	<b>\$ 260,824</b>	<b>\$ 2,593,257</b>	<b>\$ 13,874,876</b>	<b>\$ 2,241,336</b>

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 8. Long-term Debt (continued)**

The annual requirements to amortize the Bonds and Notes Payable as of June 30, 2010, including interest payments are as follows. The interest rates range from 1.35% - 6.25% with maturity dates until June 1, 2018.

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	2,200,000	489,648	2,689,648
2012	2,405,000	398,207	2,803,207
2013	1,895,000	313,150	2,208,150
2014	1,655,000	258,755	1,913,755
2015	1,720,000	195,913	1,915,913
2016-2020	3,755,000	239,201	3,994,201
Totals	\$ 13,630,000	\$ 1,894,874	\$ 15,524,874

In prior years, the general fund was typically used to liquidate long-term liabilities other than general obligation bonds.

Compensated Absences – Administrative employees of the Schools are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2010, compensated absences increased \$2,567 over the prior year accrual. See Note 1 for more details

Operating Leases – The District leases office equipment under short-term cancelable operating leases. Rental cost for the year ended June 30, 2010 was \$89,420.

**NOTE 9. Risk Management**

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$750,000,000 for each property damage claim with a \$750 deductible for each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2010, there have been no claims that have exceeded insurance coverage.

**NOTE 10. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2010:

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 10. Other Required Individual Fund Disclosures (continued)**

**Governmental Funds:**

**Major:**

Transportation	\$ 14,168
Instructional Materials	72,358
Teacher Incentive Fund	937,641

**Nonmajor Funds:**

Dual Credit IM (HB2)	4,255
2008 G.O. Bonds	41,922
Rural Ed. - Summer Enrichment Program	7,238
Kindergarten Three Plus	16,768
NM Highway Department	3,348
Public School Capital Outlay	9,323
Special Capital Outlay State	120,000
Capital Improvements SB-9	45,099
Total Governmental Funds	<u>\$ 1,272,120</u>

**Component Unit:**

**Nonmajor Funds:**

Public School Capital Outlay	51,047
Special Capital Outlay State	54,084
Total Component Unit	<u>\$ 105,131</u>

These deficits are expected to be funded by additional grant funds and charges for services, where applicable.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 10. Other Required Individual Fund Disclosures (Continued)**

**B.** Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2010:

**Governmental Funds:**

**Major Funds:**

Title XIX Medicaid - Support Services	\$ 8,111
Total Major Governmental Funds	\$ 8,111

**Nonmajor Funds:**

Entitlement IDEA-B - Instruction	\$ 127,903
Discretionary IDEA-B - Support Services	249
Enhancing Education Through Technology - Instruction	21,097
Carl D. Perkins Secondary - Support Services	163
School Improvement ARRA - Support Services	822
SEG Stimulus - Support Services	5,525
LANL Foundation - Instruction	106,540
LANL Foundation - Support Services	30,969
Dual Credit IM (HB2) - Instruction	2,055
Family & Youth - Support Services	1
Educational Technology Debt Service - Support Services	322
Total Nonmajor Governmental Funds	\$ 295,646
Total Governmental Funds	\$ 303,757

**Component Unit:**

**Nonmajor Funds:**

Instructional Materials Fund	\$ 9,517
Non-Instructional	16,958
Public School Capital Outlay	7,547
Special Capital Outlay - State	15,584
Total Component Unit	\$ 49,606

**NOTE 11. Pension Plan – Educational Retirement Board**

*Plan Description.* Substantially all of Española Public School District' full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P. O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

*Funding Policy.* Plan members are required to contribute 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District's contribution to ERB for the fiscal years ending June 30, 2010, 2009 and 2008 were \$2,698,111, \$2,844,136 and \$2,607,402, respectively, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan**

*Plan Description.* Española Public School District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and / or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former legislators who served at least two years; and (4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque NM 87107.

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premiums to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of each salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$299,132, \$312,281 and \$310,889, respectively, which equal the required contributions for each year.

**NOTE 13. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 14. Restatement of Net Assets**

The District's government-wide fund balance was not properly recorded in the prior year. An adjustment, in the amount of \$10,260, was necessary to restate prior year net assets. The adjustment was made to appropriately reflect premiums, rather than discounts, associated with the bonds issued and outstanding as of June 30, 2010.

**NOTE 15. Subsequent Accounting Standard Pronouncements**

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*, which is effective for financial statement periods beginning after June 15, 2011. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers).

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, which is effective for financial statement periods beginning after June 15, 2009. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to re-measure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, which is effective for financial statement periods beginning after June 15, 2010. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, which is effective for financial statement periods beginning after June 15, 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice for the purpose of improving financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, which is effective for financial statement periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances.

In December of 2012, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is effective for financial statements for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

The requirements in this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ 1,137,327	\$ 832,204	\$ 498,956	\$ 2,468,487
Accounts receivable				
Taxes	-	39,253	189,873	229,126
Due from other governments	1,716,405	-	-	1,716,405
Interfund receivables	-	-	-	-
Other	15,000	-	-	15,000
Inventory	143,854	-	-	143,854
<i>Total assets</i>	<u>3,012,586</u>	<u>871,457</u>	<u>688,829</u>	<u>4,572,872</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	70,459	-	70,459
Accrued payroll liabilities	-	-	-	-
Interfund payables	1,840,017	129,323	-	1,969,340
Deferred revenue - property taxes	-	37,620	181,974	219,594
Deferred revenue - other	225,160	-	-	225,160
<i>Total liabilities</i>	<u>2,065,177</u>	<u>237,402</u>	<u>181,974</u>	<u>2,484,553</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	143,854	-	-	143,854
Reserved for debt service	-	-	506,855	506,855
Reserved for capital projects	-	634,055	-	634,055
Unreserved:				
Undesignated, reported in Special Revenue Funds	803,555	-	-	803,555
<i>Total fund balance</i>	<u>947,409</u>	<u>634,055</u>	<u>506,855</u>	<u>2,088,319</u>
<i>Total liabilities and fund balance</i>	<u>\$ 3,012,586</u>	<u>\$ 871,457</u>	<u>\$ 688,829</u>	<u>\$ 4,572,872</u>

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ 15,777	\$ 467,397	\$ 483,174
State grants	989,155	192,848	-	1,182,003
Federal grants	10,109,112	-	-	10,109,112
Miscellaneous	882,097	-	-	882,097
Interest	2,330	18,550	3,824	24,704
<i>Total revenues</i>	<u>11,982,694</u>	<u>227,175</u>	<u>471,221</u>	<u>12,681,090</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,226,714	-	-	5,226,714
Support Services				
Students	586,726	-	-	586,726
Instruction	581,878	-	-	581,878
General Administration	118,757	241	4,622	123,620
School Administration	206,985	-	-	206,985
Central Services	103,070	-	-	103,070
Operation & Maintenance of Plant	2,859,371	-	-	2,859,371
Student Transportation	73,328	-	-	73,328
Food Services Operations	1,921,040	-	-	1,921,040
Capital outlay	-	873,307	-	873,307
Debt service - Principal	-	-	375,000	375,000
Debt service - Interest	-	-	49,400	49,400
<i>Total expenditures</i>	<u>11,677,869</u>	<u>873,548</u>	<u>429,022</u>	<u>12,980,439</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>304,825</u>	<u>(646,373)</u>	<u>42,199</u>	<u>(299,349)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	105,891	-	-	105,891
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>105,891</u>	<u>-</u>	<u>-</u>	<u>105,891</u>
<i>Net changes in fund balances</i>	<u>410,716</u>	<u>(646,373)</u>	<u>42,199</u>	<u>(193,458)</u>
<i>Fund balances - beginning of year</i>	<u>536,693</u>	<u>1,280,428</u>	<u>464,656</u>	<u>2,281,777</u>
<i>Fund balances - end of year</i>	<u>\$ 947,409</u>	<u>\$ 634,055</u>	<u>\$ 506,855</u>	<u>\$ 2,088,319</u>

The accompanying notes are an integral part of these financial statements.

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**SPECIAL REVENUE FUNDS**

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

**Food Services (21000)** – To account for the cost of operating a student food program and is financed with federal grants and fees paid by program users.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Non-Instructional Support (23000)** – to account for budgeted revenues and expenditures which relate to student activities other than athletics.

**Title I (24101 – IASA)** – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Entitlement IDEA-B (24106) Federal Stimulus (24206)** – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

**Discretionary IDEA-B (24107)** – To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to all children with disabilities. Authorized by individuals with Disabilities Education Act (IDEA), Part B, Sections 611, as amended, 20 U.S.C. 1411.

**Preschool IDEA-B (24109) Federal Stimulus (24209)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**Education of Homeless (24113)** – To ensure that homeless children and youth have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each State educational agency (SEA) for the coordination of education for homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies (LEAs). Authorized by McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

**Title II-D Enhancing Education thru Technology Competitive (24149)** – To account for federal resources used to strengthen the skills of teachers in the field of technology. (P.L. 103-382)

**English Language Acquisition (24153)** – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards.

**Teacher / Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

**Safe & Drug Free Schools & Community (24157)** – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**Rural and Low Income Schools (24160)** – To account for a grant with the purpose of providing financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Authorized by Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

**Title I School Improvement (24162)** – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297.

**Emergency Immigrant Funding (24163)** – To account for funds to provide education and opportunity to immigrant students. Funding is competitive based on the quality of the program and significant increase of the number of students being served from previous years.

**Reading First (24167)** – To account for federal resources administered by the State Public Education Department for a comprehensive reading approach which will incorporate research-based materials, intensive and systematic on-site professional development and an assessment-teaching-learning cycle that feeds assessment data into dynamic instructional decision-making. (P.L. 100-297)

**Carl D. Perkins (24174 – Secondary Current)** - The objective of this grant is to provide secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

**Title I Federal Stimulus (24201) and Title I School Improvement Federal Stimulus (24262)**–to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Enhancing Education Through Technology - Formula (E2T2-F) - Fed Stimulus (24249)** - To account for federal resources used to strengthen the skills of teachers in the field of technology. (P.L. 103-382)

**Grant to Reduce Alcohol Abuse (25111)** - Grant to reduce alcohol abuse - Includes Project Success specialists and community advocacy to reduce underage drinking along with Student Wellness Action Teams and mental health services.

**Impact Aid (25145 - Special Education)** – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**Impact Aid – Indian Education (25147)** – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a reduced or increased operating costs (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**GRADS Child Care CYFD (25149)** –To account for an agreement to provide child care services in conjunction with the Graduation, Reality and Dual Role Skills Program. Funding is provided by State of New Mexico Children Youth and Families Department.

**Indian Education Formula Grant (25184)** – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

**State Equalization Guarantee – Federal Stimulus (25250)** – Education stabilization funds are used to restore state funding to public schools and higher education institutions for FY09, FY10 and FY11 for the purpose of stimulating the economy as specified in the American Recovery and Reinvestment Act (ARRA).

**LANL Foundation (26113)** – Educational enrichment grant received from Los Alamos National Laboratory.

**PNM Foundation Inc. (26123)** – To account for a grant received from Public Services Company of New Mexico for an educational project.

**Dual Credit Instructional Materials (27103)** – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school.

**2008 GO Bond Library Fund (27105)** – Funds used to purchase library books and library supplies for all school sites.

**Technology for Education PED (27117)** - The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

**Incentives for School Improvement Act (27138)** – To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

**Family & Youth Resource Pro PED (27140)** – State grant to provide support and funding to young people and families as well as to test new approaches to helping youth get better education and more stable lives. Authority for creation of this fund is Legislative Appropriation Laws of New Mexico 2005.

**Truancy Initiative PED (27141)** – To provide early intervention for students K-12 to reduce chronic school truancy. To provide access to an academic tutor and other learning/academic resources to students to improve the basic reading, writing, math and study skills.

**Beginning Teacher Mentoring Program (27154)** – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

**Breakfast for Elementary Students (27155)** – The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

**Schools in Need of Improvement (27163)** –to provide funds for extended school daycare programs.

**School Improvement Framework (27164)** – To provide appropriate training for teachers.

**AP Expansion (27165)** – To undertake work and activities and pedagogy that target and support the alignment and expansion of Advanced Placement Education to improve student and teacher learning and training.

**Kindergarten - Three Plus (27166)** – the funding is part of a pilot project for Kindergarten through third grade students at both Ann Parish Elementary and Desert View Elementary. Funds used for teachers, educational assistants, nurses, an academic coach, and PE coach at both schools.

**2006 SB301 GO Bond (27170)** – Funds public school and juvenile detention libraries statewide. The funds are available for the improvement or acquisition of public school libraries, and to update and expand library collections in order to circulate and provide access of materials to students and teachers.

**After School Learning Program for Elementary & Middle Students (27522)** – To account for funds to be used for programs after school through the Public Education Department.

**NM Standards Based Student Progress Tracking System (27535)** – To account for funds used to track student progress in regards to standards. Funding is through the Public Education Department.

**Summer Reading, Math & Science Institutes (27548)** – To account for funds utilized in summer programs. Funding is through the Public Education Department.

**2009 Library Book Fund (27549)** – The intent of these funds were to purchase school library books.

**NM Highway Department (28120)** – To account for road funds provided by the New Mexico Highway Department.

**AP New Mexico Incentive Funding (28168)** – To account for grant funds received through New Mexico Highlands University to fund approved applications for workshops and related projects (NM Dept. of Ed., Regulation #93.1.)

**Private Direct Grants (29102)** – To account for various private direct grants allocated to the school district.

**McCune Charitable Foundation (29114)** - To account for revenues received for the enhancement of various programs. Authority: Public Education Department.

**School Based Health Clinics (29130)** – To account for funds administered by the Department of Health and the County of Dona Ana in support of providing Primary Care and Mental Health Service on school campus.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

	Food Services 21000	Athletics 22000	Non-Instructional Support 23000	Title I 24101
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 83,708	\$ 238,300	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	586,946
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	143,854	-	-	-
<i>Total assets</i>	<u>143,854</u>	<u>83,708</u>	<u>238,300</u>	<u>586,946</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	112,217	-	-	586,946
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>112,217</u>	<u>-</u>	<u>-</u>	<u>586,946</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	143,854	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	(112,217)	83,708	238,300	-
<i>Total fund balance</i>	<u>31,637</u>	<u>83,708</u>	<u>238,300</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 143,854</u>	<u>\$ 83,708</u>	<u>\$ 238,300</u>	<u>\$ 586,946</u>

The accompanying notes are an integral part of these financial statements.

Entitlement IDEA-B 24106	Discretionary IDEA-B 24107	Preschool IDEA-B 24109	Education of Homeless 24113	Enhancing Ed Thru Technology (E2T2-C) 24149	English Language Acquisition 24153
\$ 35,796	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
50,819	5,249	3,507	506	21,097	189,416
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>86,615</u>	<u>5,249</u>	<u>3,507</u>	<u>506</u>	<u>21,097</u>	<u>189,416</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,249	3,507	506	21,097	189,416
-	-	-	-	-	-
86,615	-	-	-	-	-
<u>86,615</u>	<u>5,249</u>	<u>3,507</u>	<u>506</u>	<u>21,097</u>	<u>189,416</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 86,615</u>	<u>\$ 5,249</u>	<u>\$ 3,507</u>	<u>\$ 506</u>	<u>\$ 21,097</u>	<u>\$ 189,416</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

	Teacher / Principal Training / Recruiting 24154	Safe & Drug Free Schools & Community 24157	Rural and Low Income Schools 24160	Title I School Improvement 24162
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	65,116	3,776	188,414	45,482
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>65,116</u>	<u>3,776</u>	<u>188,414</u>	<u>45,482</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	65,116	3,776	188,414	45,482
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>65,116</u>	<u>3,776</u>	<u>188,414</u>	<u>45,482</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 65,116</u>	<u>\$ 3,776</u>	<u>\$ 188,414</u>	<u>\$ 45,482</u>

The accompanying notes are an integral part of these financial statements.



Emergency Immigrant Funding 24163	Reading First 24167	Carl D Perkins Secondary Current 24174	ARRA Title I IASA Federal Stimulus 24201	ARRA IDEA-B Federal Stimulus 24206	ARRA Preschool IDEA-B Fed. Stimulus 24209
\$ 10,907	\$ -	\$ 1,820	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	20,913	-	4,372	132,057	434
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,907</u>	<u>20,913</u>	<u>1,820</u>	<u>4,372</u>	<u>132,057</u>	<u>434</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	20,913	-	4,372	132,057	434
-	-	-	-	-	-
10,907	-	1,820	-	-	-
<u>10,907</u>	<u>20,913</u>	<u>1,820</u>	<u>4,372</u>	<u>132,057</u>	<u>434</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 10,907</u>	<u>\$ 20,913</u>	<u>\$ 1,820</u>	<u>\$ 4,372</u>	<u>\$ 132,057</u>	<u>\$ 434</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

	Enhancing Ed. Through Tecnology Formula (E2T2-F) 24249	ARRA Title I School Improvement 24262	Alcohol Abuse Reduction 25111	Impact Aid Special Education 25145
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 33,323
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	219,491	27,659	84,858	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>219,491</u>	<u>27,659</u>	<u>84,858</u>	<u>33,323</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	219,491	27,659	84,858	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	33,323
<i>Total liabilities</i>	<u>219,491</u>	<u>27,659</u>	<u>84,858</u>	<u>33,323</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 219,491</u>	<u>\$ 27,659</u>	<u>\$ 84,858</u>	<u>\$ 33,323</u>

The accompanying notes are an integral part of these financial statements.

Impact Aid Indian Education 25147	GRADS Childcare 25149	Indian Ed. Formula Grant 25184	State Equalization Guarantee ARRA 25250	LANL Foundation 26113	PNM Foundation 26123
\$ 92,495	\$ -	\$ -	\$ -	\$ 238,667	\$ 2,710
-	-	-	-	-	-
-	-	9,312	5,525	-	-
-	-	-	-	-	-
-	-	-	-	15,000	-
-	-	-	-	-	-
<u>92,495</u>	<u>-</u>	<u>9,312</u>	<u>5,525</u>	<u>253,667</u>	<u>2,710</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,312	5,525	-	-
-	-	-	-	-	-
<u>92,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>92,495</u>	<u>-</u>	<u>9,312</u>	<u>5,525</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	253,667	2,710
-	-	-	-	253,667	2,710
<u>\$ 92,495</u>	<u>\$ -</u>	<u>\$ 9,312</u>	<u>\$ 5,525</u>	<u>\$ 253,667</u>	<u>\$ 2,710</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

	Dual Credit IM (HB2) 27103	2008 G.O. Bonds Library Fund 27105	Technology For Education 27117	Incentives for School Improvement Act 27138
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ 250,638	\$ 10,101
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
	-	-	250,638	10,101
<i>Total assets</i>	-	-	250,638	10,101
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	4,255	41,922	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	4,255	41,922	-	-
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	(4,255)	(41,922)	250,638	10,101
	(4,255)	(41,922)	250,638	10,101
<i>Total fund balance</i>	(4,255)	(41,922)	250,638	10,101
<i>Total liabilities and fund balance</i>	\$ -	\$ -	\$ 250,638	\$ 10,101

The accompanying notes are an integral part of these financial statements.

Family & Youth Resource Program 27140	Truancy Initiative PED 27141	Beg. Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Extended School Day Program 27163	Schools on the Rise 27164
\$ -	\$ -	\$ 6,756	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	11,317	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,756	11,317	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,756	11,317	-	-
-	-	6,756	11,317	-	-
\$ -	\$ -	\$ 6,756	\$ 11,317	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

	Rural Ed.-Summer Enrichment Program 27165	Kindergarten Three Plus 27166	2006 SB301 GO Bond 27170	After School Learning Programs 27522
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	7,238	16,768	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>7,238</u>	<u>16,768</u>	<u>-</u>	<u>-</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	(7,238)	(16,768)	-	-
<i>Total fund balance</i>	<u>(7,238)</u>	<u>(16,768)</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

NM Standards Based Student Progress 27535	Summer Reading, Math & Science 27548	2009 G.O. Library Books 27549	NM Highway Department 28120	AP NM Incentive Funding 28168	Private Direct Grants 29102
\$ -	\$ -	\$ 12,713	\$ -	\$ 805	\$ 78,436
-	-	-	-	-	-
-	40,139	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	40,139	12,713	-	805	78,436
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	40,139	-	3,348	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	40,139	-	3,348	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,713	(3,348)	805	78,436
-	-	12,713	(3,348)	805	78,436
\$ -	\$ 40,139	\$ 12,713	\$ -	\$ 805	\$ 78,436

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

Statement B-1  
(Page 6 of 6)

	<u>McCune Charitable Foundation 29114</u>	<u>School Based Health Clinics 29130</u>	<u>Total</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and temporary investments	\$ 11,896	\$ 28,256	\$ 1,137,327
Accounts receivable			-
Taxes	-	-	-
Due from other governments	-	-	1,716,405
Interfund receivables	-	-	-
Other	-	-	15,000
Inventory	-	-	143,854
	<u>11,896</u>	<u>28,256</u>	<u>3,012,586</u>
<i>Total assets</i>	<u>11,896</u>	<u>28,256</u>	<u>3,012,586</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Accrued compensated absences	-	-	-
Interfund payables	-	-	1,840,017
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	-	-	225,160
	<u>-</u>	<u>-</u>	<u>2,065,177</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>2,065,177</u>
<i>Fund Balance:</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	-	-	143,854
Reserved for debt service	-	-	-
Reserved for capital projects	-	-	-
Unreserved:			
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	11,896	28,256	803,555
	<u>11,896</u>	<u>28,256</u>	<u>947,409</u>
<i>Total fund balance</i>	<u>11,896</u>	<u>28,256</u>	<u>947,409</u>
<i>Total liabilities and fund balance</i>	<u>\$ 11,896</u>	<u>\$ 28,256</u>	<u>\$ 3,012,586</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Food Services 21000	Athletics 22000	Non-Instructional Support 23000	Title I 24101
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	4,584	-	-
Federal grants	1,811,084	-	-	1,657,578
Miscellaneous	25,842	134,759	7,733	-
Interest	-	2,330	-	-
<i>Total Revenues</i>	<u>1,836,926</u>	<u>141,673</u>	<u>7,733</u>	<u>1,657,578</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	198,535	142,186	1,414,639
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	31,630
School Administration	-	-	-	206,985
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	4,324
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	1,828,659	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>1,828,659</u>	<u>198,535</u>	<u>142,186</u>	<u>1,657,578</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>8,267</u>	<u>(56,862)</u>	<u>(134,453)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>8,267</u>	<u>(56,862)</u>	<u>(134,453)</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>23,370</u>	<u>140,570</u>	<u>372,753</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 31,637</u>	<u>\$ 83,708</u>	<u>\$ 238,300</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Entitlement IDEA-B 24106	Discretionary IDEA-B 24107	Preschool IDEA-B 24109	Education of Homeless 24113	Enhancing Ed Thru Technology (E2T2-C) 24149	English Language Acquisition 24153
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
784,846	5,249	19,039	3,200	81,097	91,116
-	-	-	-	-	-
-	-	-	-	-	-
<u>784,846</u>	<u>5,249</u>	<u>19,039</u>	<u>3,200</u>	<u>81,097</u>	<u>91,116</u>
389,848	-	19,039	3,200	81,097	189,337
212,221	5,249	-	-	-	2,171
86,196	-	-	-	-	-
25,085	-	-	-	-	5,499
-	-	-	-	-	-
-	-	-	-	-	-
6,677	-	-	-	-	-
64,819	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>784,846</u>	<u>5,249</u>	<u>19,039</u>	<u>3,200</u>	<u>81,097</u>	<u>197,007</u>
-	-	-	-	-	(105,891)
-	-	-	-	-	105,891
-	-	-	-	-	105,891
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Teacher / Principal Training / Recruiting 24154	Safe & Drug Free Schools & Community 24157	Rural and Low Income Schools 24160	Title I School Improvement 24162
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	442,287	6,956	287,050	161,284
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>442,287</u>	<u>6,956</u>	<u>287,050</u>	<u>161,284</u>
<i>Expenditures:</i>				
Current:				
Instruction	332,352	6,798	287,050	161,284
Support Services				
Students	-	-	-	-
Instruction	99,881	-	-	-
General Administration	10,054	158	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>442,287</u>	<u>6,956</u>	<u>287,050</u>	<u>161,284</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Emergency Immigrant Funding 24163	Reading First 24167	Carl D Perkins Secondary Current 24174	ARRA Title I IASA Federal Stimulus 24201	ARRA IDEA-B Federal Stimulus 24206	ARRA Preschool IDEA-B Fed. Stimulus 24209
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	401,634	69,707	138,822	581,318	21,692
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>401,634</u>	<u>69,707</u>	<u>138,822</u>	<u>581,318</u>	<u>21,692</u>
-	393,050	67,868	129,712	568,192	21,692
-	-	-	-	90	-
-	-	1,000	-	-	-
-	8,584	839	3,388	13,036	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,722	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>401,634</u>	<u>69,707</u>	<u>138,822</u>	<u>581,318</u>	<u>21,692</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Enhancing Ed. Through Tecnology Formula (E2T2-F) 24249	ARRA Title I School Improvement 24262	Alcohol Abuse Reduction 25111	Impact Aid Special Education 25145
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	219,491	113,412	329,825	19,308
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>219,491</u>	<u>113,412</u>	<u>329,825</u>	<u>19,308</u>
<i>Expenditures:</i>				
Current:				
Instruction	219,491	112,590	-	19,308
Support Services				
Students	-	822	315,746	-
Instruction	-	-	-	-
General Administration	-	-	14,079	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>219,491</u>	<u>113,412</u>	<u>329,825</u>	<u>19,308</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Impact Aid Indian Education 25147	GRADS Childcare 25149	Indian Ed. Formula Grant 25184	State Equalization Guarantee ARRA 25250	LANL Foundation 26113	PNM Foundation 26123
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,838	-	38,338	2,821,941	-	-
-	-	-	-	594,706	2,710
-	-	-	-	-	-
<u>2,838</u>	<u>-</u>	<u>38,338</u>	<u>2,821,941</u>	<u>594,706</u>	<u>2,710</u>
2,838	-	9,181	-	211,540	-
-	-	-	-	-	-
-	-	25,494	-	-	-
-	-	876	-	-	-
-	-	-	-	-	-
-	-	-	-	103,070	-
-	-	-	2,821,941	26,429	-
-	-	2,787	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,838</u>	<u>-</u>	<u>38,338</u>	<u>2,821,941</u>	<u>341,039</u>	<u>-</u>
-	-	-	-	253,667	2,710
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	253,667	2,710
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,667</u>	<u>\$ 2,710</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Dual Credit IM (HB2) 27103	2008 G.O. Bonds Library Fund 27105	Technology For Education 27117	Incentives for School Improvement Act 27138
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	1,921	317,684	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	10,101
Interest	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>1,921</u>	<u>317,684</u>	<u>10,101</u>
<i>Expenditures:</i>				
Current:				
Instruction	4,255	-	67,046	-
Support Services				
Students	-	-	-	-
Instruction	-	43,843	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>4,255</u>	<u>43,843</u>	<u>67,046</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,255)</u>	<u>(41,922)</u>	<u>250,638</u>	<u>10,101</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>(4,255)</u>	<u>(41,922)</u>	<u>250,638</u>	<u>10,101</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (4,255)</u>	<u>\$ (41,922)</u>	<u>\$ 250,638</u>	<u>\$ 10,101</u>

The accompanying notes are an integral part of these financial statements.



Family & Youth Resource Program 27140	Truancy Initiative PED 27141	Beg. Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Extended School Day Program 27163	Schools on the Rise 27164
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37,631	12,796	22,424	103,698	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,631</u>	<u>12,796</u>	<u>22,424</u>	<u>103,698</u>	<u>-</u>	<u>-</u>
-	-	15,668	-	-	-
37,631	12,796	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	92,381	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,631</u>	<u>12,796</u>	<u>15,668</u>	<u>92,381</u>	<u>-</u>	<u>-</u>
-	-	6,756	11,317	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,756	11,317	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,756</u>	<u>\$ 11,317</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Rural Ed.-Summer Enrichment Program 27165	Kindergarten Three Plus 27166	2006 SB301 GO Bond 27170	After School Learning Programs 27522
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	13,103	116,065	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>13,103</u>	<u>116,065</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	20,341	132,833	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<i>Total Expenditures</i>	<u>20,341</u>	<u>132,833</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,238)</u>	<u>(16,768)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>(7,238)</u>	<u>(16,768)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ (7,238)</u>	<u>\$ (16,768)</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

NM Standards Based Student Progress 27535	Summer Reading, Math & Science 27548	2009 G.O. Library Books 27549	NM Highway Department 28120	AP NM Incentive Funding 28168	Private Direct Grants 29102
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	163,469	-	-	-	-
-	-	-	-	-	-
-	-	12,713	-	805	80,832
-	-	-	-	-	-
-	163,469	12,713	-	805	80,832
-	-	-	3,348	-	2,396
-	-	-	-	-	-
-	157,940	-	-	-	-
-	5,529	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	163,469	-	3,348	-	2,396
-	-	12,713	(3,348)	805	78,436
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,713	(3,348)	805	78,436
-	-	-	-	-	-
\$ -	\$ -	\$ 12,713	\$ (3,348)	\$ 805	\$ 78,436

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement B-2  
(Page 6 of 6)

	McCune Charitable Foundation	School Based Health Clinics	Total
	29114	29130	
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	195,780	989,155
Federal grants	-	-	10,109,112
Miscellaneous	11,896	-	882,097
Interest	-	-	2,330
<i>Total Revenues</i>	<u>11,896</u>	<u>195,780</u>	<u>11,982,694</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	5,226,714
Support Services			
Students	-	-	586,726
Instruction	-	167,524	581,878
General Administration	-	-	118,757
School Administration	-	-	206,985
Central Services	-	-	103,070
Operation & Maintenance of Plant	-	-	2,859,371
Student Transportation	-	-	73,328
Other Support Services	-	-	-
Food Services Operations	-	-	1,921,040
Community Service	-	-	-
Capital Outlay	-	-	-
Debt Service - Principal	-	-	-
Debt Service - Interest	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>167,524</u>	<u>11,677,869</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>11,896</u>	<u>28,256</u>	<u>304,825</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	105,891
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>105,891</u>
<i>Net changes in fund balance</i>	<u>11,896</u>	<u>28,256</u>	<u>410,716</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>536,693</u>
<i>Fund balances - end of year</i>	<u>\$ 11,896</u>	<u>\$ 28,256</u>	<u>\$ 947,409</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement B-3

## ESPANOLA PUBLIC SCHOOLS

## FOOD SERVICES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,975,000	1,975,000	1,811,084	(163,916)
Miscellaneous	-	-	35,495	35,495
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,975,000</u>	<u>1,975,000</u>	<u>1,846,579</u>	<u>(128,421)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	1,975,000	1,975,000	1,949,143	25,857
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,975,000</u>	<u>1,975,000</u>	<u>1,949,143</u>	<u>25,857</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(102,564)</u>	<u>(102,564)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(102,564)	(102,564)
<i>Fund balances - beginning of year</i>	-	-	(9,653)	(9,653)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,653)</u>	<u>(9,653)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (112,217)</u>	<u>\$ (112,217)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(9,653)	
Adjustments to expenditures			120,484	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 8,267</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-4

## ESPANOLA PUBLIC SCHOOLS

## ATHLETICS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	4,584	4,584
Federal grants	-	-	-	-
Miscellaneous	60,000	206,657	134,759	(71,898)
Interest	-	-	2,330	2,330
<i>Total revenues</i>	<u>60,000</u>	<u>206,657</u>	<u>141,673</u>	<u>(64,984)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	134,980	281,637	198,535	83,102
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>134,980</u>	<u>281,637</u>	<u>198,535</u>	<u>83,102</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(74,980)</u>	<u>(74,980)</u>	<u>(56,862)</u>	<u>18,118</u>
<i>Other financing sources (uses):</i>				
Designated cash	74,980	74,980	-	(74,980)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>74,980</u>	<u>74,980</u>	<u>-</u>	<u>(74,980)</u>
<i>Net changes in fund balances</i>	-	-	(56,862)	(56,862)
<i>Fund balances - beginning of year</i>	-	-	140,570	140,570
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	140,570	140,570
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,708</u>	<u>\$ 83,708</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (56,862)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement B-5

NON-INSTRUCTIONAL SUPPORT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	54,932	54,932	7,733	(47,199)
Interest	-	-	-	-
<i>Total revenues</i>	54,932	54,932	7,733	(47,199)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	396,673	396,673	142,186	254,487
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	396,673	396,673	142,186	254,487
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(341,741)	(341,741)	(134,453)	207,288
<i>Other financing sources (uses):</i>				
Designated cash	341,741	341,741	-	(341,741)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	341,741	341,741	-	(341,741)
<i>Net changes in fund balances</i>	-	-	(134,453)	(134,453)
<i>Fund balances - beginning of year</i>	-	-	372,753	372,753
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	372,753	372,753
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 238,300	\$ 238,300
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (134,453)	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-6

## ESPANOLA PUBLIC SCHOOLS

## TITLE I SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,942,776	2,011,127	1,687,199	(323,928)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,942,776</u>	<u>2,011,127</u>	<u>1,687,199</u>	<u>(323,928)</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,631,051	1,699,402	1,414,639	284,763
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	60,000	60,000	31,630	28,370
School Administration	236,225	236,225	206,985	29,240
Central Services	-	-	-	-
Operation & Maintenance of Plant	15,500	15,500	4,324	11,176
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,942,776</u>	<u>2,011,127</u>	<u>1,657,578</u>	<u>353,549</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>29,621</u>	<u>29,621</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	29,621	29,621
<i>Fund balances - beginning of year</i>	-	-	(616,567)	(616,567)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(616,567)	(616,567)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (586,946)</u>	<u>\$ (586,946)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(29,621)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-7

## ESPANOLA PUBLIC SCHOOLS

## IDEA-B ENTITLEMENT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,233,661	739,914	(493,747)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,233,661</u>	<u>739,914</u>	<u>(493,747)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	265,430	393,333	(127,903)
Support Services				
Students	-	443,255	212,221	231,034
Instruction	-	313,008	86,196	226,812
General Administration	-	28,344	25,085	3,259
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	117,500	6,677	110,823
Student Transportation	-	66,124	66,020	104
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,233,661</u>	<u>789,532</u>	<u>444,129</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(49,618)</u>	<u>(49,618)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(49,618)	(49,618)
<i>Fund balances - beginning of year</i>	-	-	85,414	85,414
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>85,414</u>	<u>85,414</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,796</u>	<u>\$ 35,796</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			44,932	
Adjustments to expenditures			4,686	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**DISCRETIONARY IDEA-B SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	5,000	5,263	263
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>5,263</u>	<u>263</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	5,000	5,249	(249)
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,000</u>	<u>5,249</u>	<u>(249)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	14	14
<i>Fund balances - beginning of year</i>	-	-	(5,263)	(5,263)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,263)</u>	<u>(5,263)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,249)</u>	<u>\$ (5,249)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(14)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-9

## ESPANOLA PUBLIC SCHOOLS

## PRESCHOOL IDEA-B SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	24,560	11,448	(13,112)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>24,560</u>	<u>11,448</u>	<u>(13,112)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	24,560	19,039	5,521
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>24,560</u>	<u>19,039</u>	<u>5,521</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,591)</u>	<u>(7,591)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(7,591)	(7,591)
<i>Fund balances - beginning of year</i>	-	-	4,084	4,084
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,084</u>	<u>4,084</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,507)</u>	<u>\$ (3,507)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,591	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-10

## ESPANOLA PUBLIC SCHOOLS

## EDUCATION OF THE HOMELESS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	5,000	2,694	(2,306)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>2,694</u>	<u>(2,306)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,000	3,200	1,800
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,000</u>	<u>3,200</u>	<u>1,800</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(506)</u>	<u>(506)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(506)	(506)
<i>Fund balances - beginning of year</i>	-	-	(299)	(299)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(299)</u>	<u>(299)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (805)</u>	<u>\$ (805)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			506	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-11

## ESPANOLA PUBLIC SCHOOLS

ENHANCING EDUCATION THRU TECHNOLOGY (E2T2-C) SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	60,000	60,000	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	60,000	81,097	(21,097)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>60,000</u>	<u>81,097</u>	<u>(21,097)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(21,097)</u>	<u>(21,097)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(21,097)	(21,097)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,097)</u>	<u>\$ (21,097)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			21,097	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-12

## ESPANOLA PUBLIC SCHOOLS

## ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	91,280	213,163	7,835	(205,328)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>91,280</u>	<u>213,163</u>	<u>7,835</u>	<u>(205,328)</u>
<i>Expenditures:</i>				
Current:				
Instruction	72,280	191,663	189,337	2,326
Support Services				
Students	16,000	16,000	2,171	13,829
Instruction	-	-	-	-
General Administration	3,000	5,500	5,499	1
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>91,280</u>	<u>213,163</u>	<u>197,007</u>	<u>16,156</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(189,172)</u>	<u>(189,172)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	105,891	105,891
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>105,891</u>	<u>105,891</u>
<i>Net changes in fund balances</i>	-	-	(83,281)	(83,281)
<i>Fund balances - beginning of year</i>	-	-	(106,135)	(106,135)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(106,135)</u>	<u>(106,135)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (189,416)</u>	<u>\$ (189,416)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			83,281	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-13

## ESPANOLA PUBLIC SCHOOLS

TEACHER/PRINCIPAL TRAINING AND RECRUITING SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	851,070	1,054,584	479,314	(575,270)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>851,070</u>	<u>1,054,584</u>	<u>479,314</u>	<u>(575,270)</u>
<i>Expenditures:</i>				
Current:				
Instruction	731,338	934,852	332,352	602,500
Support Services				
Students	-	-	-	-
Instruction	100,514	100,514	99,881	633
General Administration	19,218	19,218	10,054	9,164
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>851,070</u>	<u>1,054,584</u>	<u>442,287</u>	<u>612,297</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>37,027</u>	<u>37,027</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	37,027	37,027
<i>Fund balances - beginning of year</i>	-	-	(102,143)	(102,143)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(102,143)	(102,143)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (65,116)</u>	<u>\$ (65,116)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(37,027)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-14

## ESPANOLA PUBLIC SCHOOLS

SAFE & DRUG FREE SCHOOLS AND COMMUNITIES SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	25,619	25,619	9,354	(16,265)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>25,619</u>	<u>25,619</u>	<u>9,354</u>	<u>(16,265)</u>
<i>Expenditures:</i>				
Current:				
Instruction	25,043	25,043	6,798	18,245
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	576	576	158	418
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,619</u>	<u>25,619</u>	<u>6,956</u>	<u>18,663</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>2,398</u>	<u>2,398</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	2,398	2,398
<i>Fund balances - beginning of year</i>	-	-	(6,174)	(6,174)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(6,174)	(6,174)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,776)</u>	<u>\$ (3,776)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(2,398)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-15

## ESPANOLA PUBLIC SCHOOLS

## RURAL AND LOW INCOME SCHOOLS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	395,852	115,662	(280,190)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>395,852</u>	<u>115,662</u>	<u>(280,190)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	395,852	287,050	108,802
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>395,852</u>	<u>287,050</u>	<u>108,802</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(171,388)</u>	<u>(171,388)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(171,388)	(171,388)
<i>Fund balances - beginning of year</i>	-	-	(17,026)	(17,026)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,026)</u>	<u>(17,026)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (188,414)</u>	<u>\$ (188,414)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			171,388	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement B-16

TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	170,768	137,987	(32,781)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	170,768	137,987	(32,781)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	170,768	161,284	9,484
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	170,768	161,284	9,484
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(23,297)	(23,297)
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	(23,297)	(23,297)
<i>Fund balances - beginning of year</i>	-	-	(22,185)	(22,185)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(22,185)	(22,185)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (45,482)	\$ (45,482)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			23,297	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-17

## ESPANOLA PUBLIC SCHOOLS

## EMERGENCY IMMIGRANT FUNDING SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	10,907	10,907
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,907</u>	<u>10,907</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,907</u>	<u>\$ 10,907</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-18

## ESPANOLA PUBLIC SCHOOLS

## READING FIRST SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	807,751	403,876	572,321	168,445
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>807,751</u>	<u>403,876</u>	<u>572,321</u>	<u>168,445</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	789,760	393,191	393,050	141
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	17,991	10,685	8,584	2,101
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>807,751</u>	<u>403,876</u>	<u>401,634</u>	<u>2,242</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>170,687</u>	<u>170,687</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	170,687	170,687
<i>Fund balances - beginning of year</i>	-	-	(191,600)	(191,600)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(191,600)</u>	<u>(191,600)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,913)</u>	<u>\$ (20,913)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(170,687)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-19

## ESPANOLA PUBLIC SCHOOLS

## CARL D. PERKINS SECONDARY SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	69,764	96,243	26,479
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>69,764</u>	<u>96,243</u>	<u>26,479</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	68,088	67,868	220
Support Services				
Students	-	-	-	-
Instruction	-	-	1,000	(1,000)
General Administration	-	1,676	839	837
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>69,764</u>	<u>69,707</u>	<u>57</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>26,536</u>	<u>26,536</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	26,536	26,536
<i>Fund balances - beginning of year</i>	-	-	(24,716)	(24,716)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(24,716)</u>	<u>(24,716)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,820</u>	<u>\$ 1,820</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(26,536)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-20

## ESPANOLA PUBLIC SCHOOLS

## ARRA TITLE I IASA FEDERAL STIMULUS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	505,761	997,981	142,722	(855,259)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>505,761</u>	<u>997,981</u>	<u>142,722</u>	<u>(855,259)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	494,557	986,777	129,712	857,065
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	5,058	5,058	3,388	1,670
School Administration	4,146	4,146	-	4,146
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	2,000	2,000	5,722	(3,722)
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>505,761</u>	<u>997,981</u>	<u>138,822</u>	<u>859,159</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,900</u>	<u>3,900</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	3,900	3,900
<i>Fund balances - beginning of year</i>	-	-	(8,272)	(8,272)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,272)</u>	<u>(8,272)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,372)</u>	<u>\$ (4,372)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(3,900)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement B-21

ARRA IDEA-B FEDERAL STIMULUS SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,060,938	731,743	(329,195)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	1,060,938	731,743	(329,195)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	961,576	568,192	393,384
Support Services				
Students	-	75,000	90	74,910
Instruction	-	-	-	-
General Administration	-	24,362	13,036	11,326
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	1,060,938	581,318	479,620
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	150,425	150,425
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	150,425	150,425
<i>Fund balances - beginning of year</i>	-	-	(282,482)	(282,482)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(282,482)	(282,482)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (132,057)	\$ (132,057)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(150,425)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement B-22

ARRA IDEA-B PRESCHOOLS FEDERAL STIMULUS SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	32,522	40,305	7,783
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>32,522</u>	<u>40,305</u>	<u>7,783</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	32,522	21,692	10,830
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>32,522</u>	<u>21,692</u>	<u>10,830</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>18,613</u>	<u>18,613</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	18,613	18,613
<i>Fund balances - beginning of year</i>	-	-	(19,047)	(19,047)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(19,047)</u>	<u>(19,047)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (434)</u>	<u>\$ (434)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(18,613)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-23

## ESPANOLA PUBLIC SCHOOLS

ENHANCING EDUCATION THROUGH TECHNOLOGY FORMULA (E2T2-F) SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	275,000	-	(275,000)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>275,000</u>	<u>-</u>	<u>(275,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	275,000	219,491	55,509
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>275,000</u>	<u>219,491</u>	<u>55,509</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(219,491)</u>	<u>(219,491)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(219,491)	(219,491)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (219,491)</u>	<u>\$ (219,491)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			219,491	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-24

## ESPANOLA PUBLIC SCHOOLS

## SCHOOL IMPROVEMENT ARRA SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	240,000	85,753	(154,247)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>240,000</u>	<u>85,753</u>	<u>(154,247)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	240,000	112,590	127,410
Support Services				
Students	-	-	822	(822)
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>240,000</u>	<u>113,412</u>	<u>126,588</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(27,659)</u>	<u>(27,659)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(27,659)	(27,659)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,659)</u>	<u>\$ (27,659)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			27,659	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-25

## ESPANOLA PUBLIC SCHOOLS

## ALCOHOL ABUSE REDUCTION SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	329,826	244,967	(84,859)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>329,826</u>	<u>244,967</u>	<u>(84,859)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	312,187	315,746	(3,559)
Instruction	-	-	-	-
General Administration	-	17,639	14,079	3,560
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>329,826</u>	<u>329,825</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(84,858)</u>	<u>(84,858)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(84,858)	(84,858)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,858)</u>	<u>\$ (84,858)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			84,858	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-26

## ESPANOLA PUBLIC SCHOOLS

## IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	9,000	9,000	17,100	8,100
Miscellaneous	-	-	-	-
Interest	35,531	35,531	-	(35,531)
<i>Total revenues</i>	<u>44,531</u>	<u>44,531</u>	<u>17,100</u>	<u>(27,431)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	44,531	44,531	19,308	25,223
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>44,531</u>	<u>44,531</u>	<u>19,308</u>	<u>25,223</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,208)</u>	<u>(2,208)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(2,208)	(2,208)
<i>Fund balances - beginning of year</i>	-	-	35,531	35,531
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	35,531	35,531
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,323</u>	<u>\$ 33,323</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,208	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-27

## ESPANOLA PUBLIC SCHOOLS

## IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	27,470	27,470	22,143	(5,327)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>27,470</u>	<u>27,470</u>	<u>22,143</u>	<u>(5,327)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	100,473	100,473	2,838	97,635
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>100,473</u>	<u>100,473</u>	<u>2,838</u>	<u>97,635</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(73,003)</u>	<u>(73,003)</u>	<u>19,305</u>	<u>92,308</u>
<i>Other financing sources (uses):</i>				
Designated cash	73,003	73,003	-	(73,003)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>73,003</u>	<u>73,003</u>	<u>-</u>	<u>(73,003)</u>
<i>Net changes in fund balances</i>	-	-	19,305	19,305
<i>Fund balances - beginning of year</i>	-	-	73,190	73,190
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	73,190	73,190
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,495</u>	<u>\$ 92,495</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(19,305)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

ESPANOLA PUBLIC SCHOOLS

GRADS CHILD CARE CYFD SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-29

## ESPANOLA PUBLIC SCHOOLS

## INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	55,067	55,067	29,026	(26,041)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>55,067</u>	<u>55,067</u>	<u>29,026</u>	<u>(26,041)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	15,309	15,309	9,181	6,128
Support Services				
Students	-	-	-	-
Instruction	33,359	33,359	25,494	7,865
General Administration	2,090	2,090	876	1,214
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	4,309	4,309	2,787	1,522
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,067</u>	<u>55,067</u>	<u>38,338</u>	<u>16,729</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,312)</u>	<u>(9,312)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(9,312)	(9,312)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,312)</u>	<u>\$ (9,312)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			9,312	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-30

## ESPANOLA PUBLIC SCHOOLS

## SEG STIMULUS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,118,942	2,816,416	2,816,416	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,118,942</u>	<u>2,816,416</u>	<u>2,816,416</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	2,118,942	2,816,416	2,821,941	(5,525)
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,118,942</u>	<u>2,816,416</u>	<u>2,821,941</u>	<u>(5,525)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,525)</u>	<u>(5,525)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(5,525)	(5,525)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,525)</u>	<u>\$ (5,525)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			5,525	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-31

## ESPANOLA PUBLIC SCHOOLS

## LANL FOUNDATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	98,530	128,530	598,155	469,625
Interest	-	-	-	-
<i>Total revenues</i>	<u>98,530</u>	<u>128,530</u>	<u>598,155</u>	<u>469,625</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	75,000	105,000	211,540	(106,540)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	98,530	98,530	103,070	(4,540)
Operation & Maintenance of Plant	-	-	26,429	(26,429)
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>173,530</u>	<u>203,530</u>	<u>341,039</u>	<u>(137,509)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(75,000)</u>	<u>(75,000)</u>	<u>257,116</u>	<u>332,116</u>
<i>Other financing sources (uses):</i>				
Designated cash	75,000	75,000	-	(75,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
<i>Net changes in fund balances</i>	-	-	257,116	257,116
<i>Fund balances - beginning of year</i>	-	-	(18,449)	(18,449)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(18,449)	(18,449)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,667</u>	<u>\$ 238,667</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(3,449)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 253,667</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-32

## ESPANOLA PUBLIC SCHOOLS

## PNM FOUNDATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	2,710	2,710
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,710</u>	<u>2,710</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,710</u>	<u>\$ 2,710</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,710	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 2,710</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-33

## ESPANOLA PUBLIC SCHOOLS

## DUAL CREDIT IM (HB2) SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	2,200	-	(2,200)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,200</u>	<u>-</u>	<u>(2,200)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	2,200	4,255	(2,055)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,200</u>	<u>4,255</u>	<u>(2,055)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,255)</u>	<u>(4,255)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(4,255)	(4,255)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,255)</u>	<u>\$ (4,255)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (4,255)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-34

## ESPANOLA PUBLIC SCHOOLS

## 2008 G.O. BONDS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	48,733	1,921	(46,812)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>48,733</u>	<u>1,921</u>	<u>(46,812)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	48,733	43,843	4,890
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>48,733</u>	<u>43,843</u>	<u>4,890</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(41,922)</u>	<u>(41,922)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(41,922)	(41,922)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,922)</u>	<u>\$ (41,922)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (41,922)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-35

## ESPANOLA PUBLIC SCHOOLS

## TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	30,128	30,128
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>30,128</u>	<u>30,128</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	315,197	315,197	67,046	248,151
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>315,197</u>	<u>315,197</u>	<u>67,046</u>	<u>248,151</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(315,197)</u>	<u>(315,197)</u>	<u>(36,918)</u>	<u>278,279</u>
<i>Other financing sources (uses):</i>				
Designated cash	315,197	315,197	-	(315,197)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>315,197</u>	<u>315,197</u>	<u>-</u>	<u>(315,197)</u>
<i>Net changes in fund balances</i>	-	-	(36,918)	(36,918)
<i>Fund balances - beginning of year</i>	-	-	287,556	287,556
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	287,556	287,556
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,638</u>	<u>\$ 250,638</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			287,556	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 250,638</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-36

## ESPANOLA PUBLIC SCHOOLS

INCENTIVES FOR SCHOOL IMPROVEMENT ACT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	10,101	10,101
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,101</u>	<u>10,101</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,101</u>	<u>\$ 10,101</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			10,101	
Adjustments to expenditures			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 10,101</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-37

## ESPANOLA PUBLIC SCHOOLS

## FAMILY &amp; YOUTH SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	37,630	67,163	29,533
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>37,630</u>	<u>67,163</u>	<u>29,533</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	37,630	37,631	(1)
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>37,630</u>	<u>37,631</u>	<u>(1)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>29,532</u>	<u>29,532</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	29,532	29,532
<i>Fund balances - beginning of year</i>	-	-	(29,532)	(29,532)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(29,532)</u>	<u>(29,532)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(29,532)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-38

## ESPANOLA PUBLIC SCHOOLS

## TRUANCY INITIATIVE PED SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	12,796	12,796	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>12,796</u>	<u>12,796</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	12,796	12,796	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,796</u>	<u>12,796</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement B-39

BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	22,425	22,424	(1)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	22,425	22,424	(1)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	22,425	15,668	6,757
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	22,425	15,668	6,757
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	6,756	6,756
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	6,756	6,756
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 6,756	\$ 6,756
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 6,756	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-40

## ESPANOLA PUBLIC SCHOOLS

## BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	92,381	92,381	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>92,381</u>	<u>92,381</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	92,381	92,381	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>92,381</u>	<u>92,381</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			11,317	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 11,317</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-41

## ESPANOLA PUBLIC SCHOOLS

## EXTENDED SCHOOL DAY PROGRAM SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	9,935	9,935
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	9,935	9,935
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	9,935	9,935
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	9,935	9,935
<i>Fund balances - beginning of year</i>	-	-	(9,935)	(9,935)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(9,935)	(9,935)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(9,935)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-42

## ESPANOLA PUBLIC SCHOOLS

## SCHOOLS ON THE RISE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	5,621	5,621
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	5,621	5,621
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	5,621	5,621
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	5,621	5,621
<i>Fund balances - beginning of year</i>	-	-	(5,621)	(5,621)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(5,621)	(5,621)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(5,621)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement B-43

RURAL ED.-SUMMER ENRICHMENT PROGRAM SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	13,103	13,103
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	13,103	13,103
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	13,103	13,103
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	13,103	13,103
<i>Fund balances - beginning of year</i>	-	-	(20,341)	(20,341)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(20,341)	(20,341)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (7,238)	\$ (7,238)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(20,341)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (7,238)	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-44

## ESPANOLA PUBLIC SCHOOLS

## KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	142,950	134,802	163,610	28,808
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>142,950</u>	<u>134,802</u>	<u>163,610</u>	<u>28,808</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	142,950	134,802	132,833	1,969
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>142,950</u>	<u>134,802</u>	<u>132,833</u>	<u>1,969</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>30,777</u>	<u>30,777</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	30,777	30,777
<i>Fund balances - beginning of year</i>	-	-	(47,545)	(47,545)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(47,545)</u>	<u>(47,545)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,768)</u>	<u>\$ (16,768)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(47,545)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (16,768)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-45

## ESPANOLA PUBLIC SCHOOLS

## 2006 SB301 GO BOND SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	6,182	6,182
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6,182</u>	<u>6,182</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>6,182</u>	<u>6,182</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	6,182	6,182
<i>Fund balances - beginning of year</i>	-	-	(6,182)	(6,182)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,182)</u>	<u>(6,182)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(6,182)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-46

## ESPANOLA PUBLIC SCHOOLS

## AFTER SCHOOL LEARNING PROGRAMS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	1,293	1,293
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,293</u>	<u>1,293</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,293</u>	<u>1,293</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	1,293	1,293
<i>Fund balances - beginning of year</i>	-	-	(1,293)	(1,293)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,293)</u>	<u>(1,293)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1,293)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-47

## ESPANOLA PUBLIC SCHOOLS

NM STANDARDS BASED STUDENT PROGRESS TRACKING SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	500	500
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	500	500
<i>Fund balances - beginning of year</i>	-	-	(500)	(500)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(500)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-48

## ESPANOLA PUBLIC SCHOOLS

SUMMER READING, MATH & SCIENCE INSTITUTE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	180,000	212,064	32,064
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>180,000</u>	<u>212,064</u>	<u>32,064</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	171,429	157,940	13,489
General Administration	-	8,571	5,529	3,042
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>180,000</u>	<u>163,469</u>	<u>16,531</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>48,595</u>	<u>48,595</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	48,595	48,595
<i>Fund balances - beginning of year</i>	-	-	(88,734)	(88,734)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(88,734)</u>	<u>(88,734)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,139)</u>	<u>\$ (40,139)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(48,595)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-49

## ESPANOLA PUBLIC SCHOOLS

## G.O. LIBRARY BOOKS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	12,713	12,713
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,713</u>	<u>12,713</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			12,713	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 12,713</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement B-50

NM HIGHWAY DEPARTMENT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(3,348)	(3,348)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	(3,348)	(3,348)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (3,348)	\$ (3,348)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(3,348)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (3,348)	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-51

## ESPANOLA PUBLIC SCHOOLS

## AP NM INCENTIVE FUNDING SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	805	805
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>805</u>	<u>805</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805</u>	<u>\$ 805</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			805	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 805</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-52

## ESPANOLA PUBLIC SCHOOLS

## PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	3,434	3,434
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>3,434</u>	<u>3,434</u>
<i>Expenditures:</i>				
Current:				
Instruction	106,798	106,798	2,396	104,402
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>106,798</u>	<u>106,798</u>	<u>2,396</u>	<u>104,402</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(106,798)</u>	<u>(106,798)</u>	<u>1,038</u>	<u>107,836</u>
<i>Other financing sources (uses):</i>				
Designated cash	106,798	106,798	-	(106,798)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>106,798</u>	<u>106,798</u>	<u>-</u>	<u>(106,798)</u>
<i>Net changes in fund balances</i>	-	-	1,038	1,038
<i>Fund balances - beginning of year</i>	-	-	77,398	77,398
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>77,398</u>	<u>77,398</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,436</u>	<u>\$ 78,436</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			77,398	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 78,436</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-53

## ESPANOLA PUBLIC SCHOOLS

MCCUNE CHARITABLE FOUNDATION SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	11,896	11,896
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,896</u>	<u>11,896</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,896</u>	<u>\$ 11,896</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			11,896	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 11,896</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-54

## ESPANOLA PUBLIC SCHOOLS

## SCHOOL BASED HEALTH CLINICS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	170,000	194,046	24,046
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>170,000</u>	<u>194,046</u>	<u>24,046</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	160,910	167,524	(6,614)
General Administration	-	9,090	-	9,090
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>170,000</u>	<u>167,524</u>	<u>2,476</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>26,522</u>	<u>26,522</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	26,522	26,522
<i>Fund balances - beginning of year</i>	-	-	1,734	1,734
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,734</u>	<u>1,734</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,256</u>	<u>\$ 28,256</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,734	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 28,256</u>	

The accompanying notes are an integral part of these financial statements

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**CAPITAL PROJECT FUNDS**

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## **CAPITAL PROJECT FUNDS**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Public School Capital Outlay (31200)** – The Fund is used to account for capital projects funded from awards made by the Public School Capital Outlay Council.

**Special Capital Outlay – State (31400)** – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996.

**Capital Improvement SB-9 (31700)** – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**Educational Technology Equipment Act (31900)** – To account for funding which is to be used by the District to promote the comprehensive integration of advances technologies in education setting, through the conduct of technical assistance, professional development, information and resource dissemination and collaboration activities. Authorization is NMSA 22-15A-1.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**JUNE 30, 2010**

Statement C-1

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700	Education Technology Equipment Act 31900	Total
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and temporary investments	\$ -	\$ -	\$ 23,727	\$ 808,477	\$ 832,204
Accounts receivable					
Taxes	-	-	39,253	-	39,253
Due from other governments	-	-	-	-	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>-</u>	<u>62,980</u>	<u>808,477</u>	<u>871,457</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Current Liabilities:</i>					
Accounts payable	-	-	70,459	-	70,459
Accrued payroll liabilities	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	9,323	120,000	-	-	129,323
Deferred revenue - property taxes	-	-	37,620	-	37,620
Deferred revenue - other	-	-	-	-	-
<i>Total liabilities</i>	<u>9,323</u>	<u>120,000</u>	<u>108,079</u>	<u>-</u>	<u>237,402</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	(9,323)	(120,000)	(45,099)	808,477	634,055
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
<i>Total fund balance</i>	<u>(9,323)</u>	<u>(120,000)</u>	<u>(45,099)</u>	<u>808,477</u>	<u>634,055</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,980</u>	<u>\$ 808,477</u>	<u>\$ 871,457</u>

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improvements SB-9 31700	Education Technology Equipment Act 31900	Total
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ 15,777	\$ -	\$ 15,777
State grants	-	33,470	159,378	-	192,848
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	819	17,731	18,550
<i>Total revenues</i>	<u>-</u>	<u>33,470</u>	<u>175,974</u>	<u>17,731</u>	<u>227,175</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	-	-
Support Services					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	241	-	241
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	-	-	-	-
Capital outlay	9,323	153,470	220,832	489,682	873,307
Debt service - Principal	-	-	-	-	-
Debt service - Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>9,323</u>	<u>153,470</u>	<u>221,073</u>	<u>489,682</u>	<u>873,548</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(9,323)</u>	<u>(120,000)</u>	<u>(45,099)</u>	<u>(471,951)</u>	<u>(646,373)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(9,323)	(120,000)	(45,099)	(471,951)	(646,373)
<i>Fund balances - beginning of year</i>	-	-	-	1,280,428	1,280,428
<i>Prior Period Adjustment</i>	-	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,280,428</u>	<u>1,280,428</u>
<i>Fund balances - end of year</i>	<u>\$ (9,323)</u>	<u>\$ (120,000)</u>	<u>\$ (45,099)</u>	<u>\$ 808,477</u>	<u>\$ 634,055</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement C-3

## ESPANOLA PUBLIC SCHOOLS

## BOND BUILDING CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	63,323	63,323
<i>Total revenues</i>	-	-	63,323	63,323
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	3,272,046	3,272,046	36,307	3,235,739
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,272,046	3,272,046	36,307	3,235,739
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(3,272,046)	(3,272,046)	27,016	3,299,062
<i>Other financing sources (uses):</i>				
Designated cash	3,272,046	3,272,046	-	(3,272,046)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	3,272,046	3,272,046	-	(3,272,046)
<i>Net changes in fund balances</i>	-	-	27,016	27,016
<i>Fund balances - beginning of year</i>	-	-	3,476,454	3,476,454
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	3,476,454	3,476,454
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 3,503,470	\$ 3,503,470
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 27,016	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-4

## ESPANOLA PUBLIC SCHOOLS

## PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	9,323	-	(9,323)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,323</u>	<u>-</u>	<u>(9,323)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	9,323	9,323	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,323</u>	<u>9,323</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,323)</u>	<u>(9,323)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(9,323)	(9,323)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,323)</u>	<u>\$ (9,323)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (9,323)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-5

## ESPANOLA PUBLIC SCHOOLS

## SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	477,649	477,649	33,470	(444,179)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>477,649</u>	<u>477,649</u>	<u>33,470</u>	<u>(444,179)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	477,649	477,649	-	477,649
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>477,649</u>	<u>477,649</u>	<u>-</u>	<u>477,649</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>33,470</u>	<u>33,470</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	33,470	33,470
<i>Fund balances - beginning of year</i>	-	-	(153,470)	(153,470)
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(153,470)</u>	<u>(153,470)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ (120,000)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(153,470)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (120,000)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-6

## ESPANOLA PUBLIC SCHOOLS

## CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

## FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

## FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 24,094	\$ 24,094
State grants	435,733	435,733	192,976	(242,757)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	819	819
<i>Total revenues</i>	<u>435,733</u>	<u>435,733</u>	<u>217,889</u>	<u>(217,844)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	400	400	241	159
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	445,333	445,333	253,291	192,042
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>445,733</u>	<u>445,733</u>	<u>253,532</u>	<u>192,201</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(35,643)</u>	<u>(25,643)</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,000	10,000	-	(10,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<i>Net changes in fund balances</i>	-	-	(35,643)	(35,643)
<i>Fund balances - beginning of year</i>	-	-	59,370	59,370
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	59,370	59,370
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,727</u>	<u>\$ 23,727</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(41,915)	
Adjustments to expenditures			32,459	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (45,099)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**

Statement C-7

EDUCATION TECHNOLOGY EQUIPMENT ACT CAPITAL PROJECT FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	17,731	17,731
<i>Total revenues</i>	-	-	17,731	17,731
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	1,177,118	1,177,118	503,541	673,577
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,177,118	1,177,118	503,541	673,577
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(1,177,118)	(1,177,118)	(485,810)	691,308
<i>Other financing sources (uses):</i>				
Designated cash	1,177,118	1,177,118	-	(1,177,118)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	1,177,118	1,177,118	-	(1,177,118)
<i>Net changes in fund balances</i>	-	-	(485,810)	(485,810)
<i>Fund balances - beginning of year</i>	-	-	1,294,287	1,294,287
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	1,294,287	1,294,287
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 808,477	\$ 808,477
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			13,859	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (471,951)	

The accompanying notes are an integral part of these financial statements

**DEBT SERVICE FUNDS**

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## **DEBT SERVICE FUNDS**

**Deferred Sick Leave (42000)** – To accumulate funds to reimburse employees who do not use all of their accumulated sick leave. Funding Authority is the State of New Mexico Public Education Department.

**Educational Technology (43000)** – To accumulate resources for payment of principle and interest due on educational technology bonds. Financing is provided by a special tax levy approved by the voters of the Schools and assessed by the County Assessor and collected and remitted to the Schools by the County Treasurer.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
**JUNE 30, 2010**

Statement D-1

	<u>Deferred Sick Leave Debt Service 42000</u>	<u>Educational Technology Debt Service 43000</u>	<u>Total</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and temporary investments	\$ 67,910	\$ 431,046	\$ 498,956
Accounts receivable			
Taxes	-	189,873	189,873
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	<u>67,910</u>	<u>620,919</u>	<u>688,829</u>
<i>Total assets</i>			
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Accrued compensated absences	-	-	-
Interfund payables	-	-	-
Deferred revenue - property taxes	-	181,974	181,974
Deferred revenue - other	-	-	-
	<u>-</u>	<u>181,974</u>	<u>181,974</u>
<i>Total liabilities</i>			
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	67,910	438,945	506,855
Reserved for capital projects	-	-	-
Unreserved:			
Designated for subsequent year's expenditures	-	-	-
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	-	-	-
	<u>67,910</u>	<u>438,945</u>	<u>506,855</u>
<i>Total fund balance</i>			
<i>Total liabilities and fund balance</i>	<u>\$ 67,910</u>	<u>\$ 620,919</u>	<u>\$ 688,829</u>

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	Deferred Sick Leave Debt Service 42000	Educational Technology Debt Service 43000	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ 467,397	\$ 467,397
State grants	-	-	-
Federal grants	-	-	-
Miscellaneous	-	-	-
Interest	-	3,824	3,824
<i>Total revenues</i>	<u>-</u>	<u>471,221</u>	<u>471,221</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	4,622	4,622
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	-	-	-
Debt service - Principal	-	375,000	375,000
Debt service - Interest	-	49,400	49,400
<i>Total expenditures</i>	<u>-</u>	<u>429,022</u>	<u>429,022</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>42,199</u>	<u>42,199</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	42,199	42,199
<i>Fund balances - beginning of year</i>	67,910	396,746	464,656
<i>Prior Period Adjustment</i>	-	-	-
<i>Adjusted fund balances - beginning of year</i>	<u>67,910</u>	<u>396,746</u>	<u>464,656</u>
<i>Fund balances - end of year</i>	<u>\$ 67,910</u>	<u>\$ 438,945</u>	<u>\$ 506,855</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**DEBT SERVICE FUND**

Statement D-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 2,490,964	\$ 2,490,964	\$ 2,317,166	\$ (173,798)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	25,000	25,000	29,192	4,192
<i>Total revenues</i>	<u>2,515,964</u>	<u>2,515,964</u>	<u>2,346,358</u>	<u>(169,606)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	25,000	25,000	23,172	1,828
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	2,821,755	2,821,755	-	2,821,755
Principal	1,960,000	1,960,000	1,960,000	-
Interest	530,964	530,964	530,963	1
<i>Total expenditures</i>	<u>5,337,719</u>	<u>5,337,719</u>	<u>2,514,135</u>	<u>2,823,584</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,821,755)</u>	<u>(2,821,755)</u>	<u>(167,777)</u>	<u>2,653,978</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,821,755	2,821,755	-	(2,821,755)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,821,755</u>	<u>2,821,755</u>	<u>-</u>	<u>(2,821,755)</u>
<i>Net changes in fund balances</i>	-	-	(167,777)	(167,777)
<i>Fund balances - beginning of year</i>	-	-	2,679,834	2,679,834
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	2,679,834	2,679,834
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,512,057</u>	<u>\$ 2,512,057</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(68,756)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>-\$ (236,533)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**DEFERRED SICK LEAVE**

Statement D-4

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	67,910	67,910	-	67,910
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	67,910	67,910	-	67,910
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(67,910)	(67,910)	-	67,910
<i>Other financing sources (uses):</i>				
Designated cash	67,910	67,910	-	(67,910)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	67,910	67,910	-	(67,910)
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	67,910	67,910
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	67,910	67,910
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 67,910	\$ 67,910
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**EDUCATIONAL TECHNOLOGY DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement D-5

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 424,400	\$ 424,400	\$ 462,233	\$ 37,833
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	2,000	2,000	3,824	1,824
<i>Total revenues</i>	<u>426,400</u>	<u>426,400</u>	<u>466,057</u>	<u>39,657</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	4,300	4,300	4,622	(322)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	409,206	409,206	-	409,206
Principal	375,000	375,000	375,000	-
Interest	49,400	49,400	49,400	-
<i>Total expenditures</i>	<u>837,906</u>	<u>837,906</u>	<u>429,022</u>	<u>408,884</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(411,506)</u>	<u>(411,506)</u>	<u>37,035</u>	<u>448,541</u>
<i>Other financing sources (uses):</i>				
Designated cash	411,506	411,506	-	(411,506)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>411,506</u>	<u>411,506</u>	<u>-</u>	<u>(411,506)</u>
<i>Net changes in fund balances</i>	-	-	37,035	37,035
<i>Fund balances - beginning of year</i>	-	-	394,011	394,011
<i>Prior period adjustment</i>	-	-	-	-
<i>Adjusted fund balances - beginning of year</i>	-	-	394,011	394,011
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 431,046</u>	<u>\$ 431,046</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			5,164	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 42,199</u>	

The accompanying notes are an integral part of these financial statements



**COMPONENT UNIT**

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**COMBINING BALANCE SHEET**  
June 30, 2010

	General Fund			
	Operational 11000	Instructional Materials 14000	Non- Instructional 23000	IDEA-B Entitlement 24106
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and cash equivalents	105,130	\$ -	\$ 29,162	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	133,936	-	-	-
Inventory	58,253	-	-	-
<i>Total assets</i>	<u>297,319</u>	<u>-</u>	<u>29,162</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	78,959	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>78,959</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	58,253	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	160,107	-	-	-
Special Revenue Funds	-	-	29,162	-
<i>Total fund balance</i>	<u>218,360</u>	<u>-</u>	<u>29,162</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 297,319</u>	<u>\$ -</u>	<u>\$ 29,162</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Titel XIX Medicaid 25153	ROTC 25250	Libraries - SB301 GO Bonds Laws of 2006 27170	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Total
\$ 769	\$ -	\$ 328	\$ -	\$ -	\$ 135,389
-	-	-	-	-	-
840	34,002	-	-	-	34,842
-	-	-	-	-	133,936
-	-	-	-	-	58,253
<u>1,609</u>	<u>34,002</u>	<u>328</u>	<u>-</u>	<u>-</u>	<u>362,420</u>
-	5,197	-	-	-	84,156
-	28,805	-	51,047	54,084	133,936
-	-	-	-	-	-
-	<u>34,002</u>	<u>-</u>	<u>51,047</u>	<u>54,084</u>	<u>218,092</u>
-	-	-	-	-	58,253
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	160,107
<u>1,609</u>	<u>-</u>	<u>328</u>	<u>(51,047)</u>	<u>(54,084)</u>	<u>(74,032)</u>
<u>1,609</u>	<u>-</u>	<u>328</u>	<u>(51,047)</u>	<u>(54,084)</u>	<u>144,328</u>
<u>\$ 1,609</u>	<u>\$ 34,002</u>	<u>\$ 328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,420</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**GOVERNMENTAL FUNDS**

Statement F-1  
 (Page 2 of 2)

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

		Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:		
Fund balances - total governmental funds	\$	144,328
Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued compensated absences		(3,856)
Net Assets-total Governmental Activities	\$	140,472

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDING JUNE 30, 2010**

	<u>General Fund</u>			
	Operational	Instructional	Non-	Entitlement
	11000	Materials	Instructional	IDEA-B
	14000	23000	24106	
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	1,538,625	57,199	-	-
Federal grants	-	-	-	6,913
Miscellaneous	35,036	-	50,926	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,573,661</u>	<u>57,199</u>	<u>50,926</u>	<u>6,913</u>
<i>Expenditures:</i>				
Current:				
Instruction	923,790	56,935	16,958	-
Support Services				
Students	143,890	-	-	6,913
Instruction	15,158	-	-	-
General Administration	7,365	-	-	-
School Administration	98,268	-	-	-
Central Services	140,217	-	-	-
Operation & Maintenance of Plant	82,211	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	31,765	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,442,664</u>	<u>56,935</u>	<u>16,958</u>	<u>6,913</u>
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	<u>130,997</u>	<u>264</u>	<u>33,968</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	130,997	264	33,968	-
<i>Fund balances - beginning of year</i>	87,363	(264)	(4,806)	-
<i>Fund balances - end of year</i>	<u>\$ 218,360</u>	<u>\$ -</u>	<u>\$ 29,162</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Title XIX Medicaid 25153	ROTC 25250	Libraries - SB301			Special Capital Outlay - State 31400	Total
		GO Bonds Laws of 2006 27170	Public School Capital Outlay 31200			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	1,595,824	
1,609	143,496	-	-	-	152,018	
-	-	328	-	-	86,290	
-	-	-	-	-	-	
<u>1,609</u>	<u>143,496</u>	<u>328</u>	<u>-</u>	<u>-</u>	<u>1,834,132</u>	
-	120,540	-	-	-	1,118,223	
-	4,194	-	-	-	154,997	
-	-	-	-	-	15,158	
-	-	-	-	-	7,365	
-	-	-	-	-	98,268	
-	1,453	-	-	-	141,670	
-	17,309	-	-	-	99,520	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	31,765	
-	-	-	-	-	-	
-	-	-	7,547	54,084	61,631	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>-</u>	<u>143,496</u>	<u>-</u>	<u>7,547</u>	<u>54,084</u>	<u>1,728,597</u>	
<u>1,609</u>	<u>-</u>	<u>328</u>	<u>(7,547)</u>	<u>(54,084)</u>	<u>105,535</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
1,609	-	328	(7,547)	(54,084)	105,535	
-	-	-	(43,500)	-	38,793	
<u>\$ 1,609</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ (51,047)</u>	<u>\$ (54,084)</u>	<u>\$ 144,328</u>	

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT  
CARINOS CHARTER SCHOOL

Statement F-2  
(Page 2 of 2)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 105,535
The issuance of long-term debt (e.g. accrued compensated absences) provides current financial resources to governmental funds. The transaction, however, has no effect on net assets:	
Increase in the reserve for compensated absences	<u>(3,856)</u>
Change in Net Assets-total Governmental Activities	<u><u>\$ 101,679</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**OPERATIONAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	1,371,782	1,537,767	1,538,625	858
Federal grants	-	-	-	-
Miscellaneous	-	-	41,949	41,949
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,371,782</u>	<u>1,537,767</u>	<u>1,580,574</u>	<u>42,807</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	897,301	1,032,782	912,231	120,551
Support Services				
Students	101,804	143,557	142,123	1,434
Instruction	14,828	15,830	14,441	1,389
General Administration	11,766	13,343	7,365	5,978
School Administration	102,121	100,310	94,565	5,745
Central Services	150,137	139,276	138,112	1,164
Operation & Maintenance of Plant	91,973	90,611	82,211	8,400
Student Transportation	4,196	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	26,536	30,938	30,910	28
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,400,662</u>	<u>1,566,647</u>	<u>1,421,958</u>	<u>144,689</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(28,880)</u>	<u>(28,880)</u>	<u>158,616</u>	<u>187,496</u>
<i>Other financing sources (uses):</i>				
Designated cash	28,880	28,880	-	(28,880)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>28,880</u>	<u>28,880</u>	<u>-</u>	<u>(28,880)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>158,616</u>	<u>158,616</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>80,450</u>	<u>80,450</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,066</u>	<u>\$ 239,066</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(6,913)	
Expenditure accruals			(20,706)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 130,997</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**INSTRUCTIONAL MATERIALS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	4,081	24,559	57,199	32,640
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,081</u>	<u>24,559</u>	<u>57,199</u>	<u>32,640</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	26,940	47,418	56,935	(9,517)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>26,940</u>	<u>47,418</u>	<u>56,935</u>	<u>(9,517)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(22,859)</u>	<u>(22,859)</u>	<u>264</u>	<u>23,123</u>
<i>Other financing sources (uses):</i>				
Designated cash	22,859	22,859	-	(22,859)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>22,859</u>	<u>22,859</u>	<u>-</u>	<u>(22,859)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>264</u>	<u>264</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(264)</u>	<u>(264)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 264</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**NON-INSTRUCTIONAL SUPPORT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	50,926	50,926
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>50,926</u>	<u>50,926</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	16,958	(16,958)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>16,958</u>	<u>(16,958)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>33,968</u>	<u>33,968</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>33,968</u>	<u>33,968</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,806)</u>	<u>(4,806)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,162</u>	<u>\$ 29,162</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 33,968</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**ENTITLEMENT IDEA-B SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	27,018	-	(27,018)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>27,018</u>	<u>-</u>	<u>(27,018)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	27,018	6,913	20,105
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>27,018</u>	<u>6,913</u>	<u>20,105</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,913)</u>	<u>(6,913)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,913)</u>	<u>(6,913)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,913</u>	<u>6,913</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			6,913	
Expenditure accruals			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**PUBLIC CHARTER PROGRAM - PLANNING SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	769	769
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>769</u>	<u>769</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>769</u>	<u>769</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>769</u>	<u>769</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 769</u>	<u>\$ 769</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			840	
Expenditure accruals			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,609</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**PUBLIC CHARTER PROGRAM - IMPLEMENTATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-8

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	85,971	148,789	109,494	(39,295)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>85,971</u>	<u>148,789</u>	<u>109,494</u>	<u>(39,295)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	85,971	125,832	115,343	10,489
Support Services				
Students	-	4,195	4,194	1
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	1,453	1,453	-
Operation & Maintenance of Plant	-	17,309	17,309	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>85,971</u>	<u>148,789</u>	<u>138,299</u>	<u>10,490</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(28,805)</u>	<u>(28,805)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(28,805)</u>	<u>(28,805)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,805)</u>	<u>\$ (28,805)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			34,002	
Expenditure accruals			(5,197)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**LIBRARIES - SB 301 GO BONDS - LAWS OF 2006 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-9

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	328	328
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ 328</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 328</u>	

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-10

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	7,547	(7,547)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>7,547</u>	<u>(7,547)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,547)</u>	<u>(7,547)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,547)</u>	<u>(7,547)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(43,500)</u>	<u>(43,500)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51,047)</u>	<u>\$ (51,047)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (7,547)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2010**

Statement F-11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-
State grants	38,500	38,500	-	(38,500)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>38,500</u>	<u>38,500</u>	<u>-</u>	<u>(38,500)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	38,500	38,500	54,084	(15,584)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>38,500</u>	<u>38,500</u>	<u>54,084</u>	<u>(15,584)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(54,084)</u>	<u>(54,084)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(54,084)</u>	<u>(54,084)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,084)</u>	<u>\$ (54,084)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (54,084)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT  
 CARINOS CHARTER SCHOOL  
 SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
 JUNE 30, 2010

Schedule F-I

<u>Bank Account Type/Name</u>	<u>Valley National Bank</u>
Checking	<u>\$ 284,242</u>
Total On Deposit	284,242
Reconciling Items	<u>(148,853)</u>
Reconciled Balance June 30, 2010	<u><u>\$ 135,389</u></u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT - COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**  
**CASH RECONCILIATION**  
**JUNE 30, 2010**

	Operational Account 11000	Instructional Materials Account 14000	Non- Instructional Support 23000	Federal Flowthrough 24000
Cash, June 30, 2009	38,793	-	-	-
Add:				
2009-10 revenues	1,573,027	57,199	50,926	-
Repayment of interfund loans	5,070	-	-	-
Dur to other funds	-	-	-	6,913
Total cash available	1,616,890	57,199	50,926	6,913
Less:				
2009-10 expenditures	(1,421,958)	(56,935)	(16,958)	(6,913)
Repayment of interfund loans	-	(264)	(4,806)	-
Due from other funds	(89,802)	-	-	-
Cash, June 30, 2010	<u>105,130</u>	<u>-</u>	<u>29,162</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Direct 25000	State Flowthrough 27000	Public School Capital Outlay 31200	Spec. Capital Outlay-Local 31400	Total
-	-	-	-	38,793
110,263	328	7,547	-	1,799,290
-	-	-	-	5,070
28,805	-	-	54,084	89,802
139,068	328	7,547	54,084	1,932,955
(138,299)	-	(7,547)	(54,084)	(1,702,694)
-	-	-	-	(5,070)
-	-	-	-	(89,802)
769	328	-	-	135,389

The accompanying notes are an integral part of these financial statements

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**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Schedule I

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Abiquiu Elementary	\$ 9,114	\$ 11,184	\$ 7,919	\$ 12,379
Alcalde Elementary	14,314	9,514	5,169	18,659
Chimayo Elementary	6,649	13,614	13,615	6,648
Dixon Elementary	1,175	3,575	2,915	1,835
Espanola Elementary	31,631	11,530	24,353	18,808
Fairview Elementary	36,764	47,667	49,016	35,415
Hernandez Elementary	2,162	15,071	13,798	3,435
Los Ninos Elementary	14,920	23,504	23,041	15,383
Mountain View Elementary	2,926	6,189	7,024	2,091
San Juan Elementary	7,413	118,468	113,168	12,713
Sombrillo Elementary	10,001	21,902	17,568	14,335
Velarde Elementary	1,168	8,912	7,803	2,277
Espanola Middle School	35,907	22,195	14,955	43,147
Espanola Valley High School	217,388	133,144	150,176	200,356
Clearing Account - Agency Funds	<u>146,687</u>	<u>249,548</u>	<u>201,786</u>	<u>194,449</u>
Total All Schools	<u>\$ 538,219</u>	<u>\$ 696,017</u>	<u>\$ 652,306</u>	<u>\$ 581,930</u>

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2010**

Schedule II

Name of Depository	Description of Pledged Collateral	Fair Market Value / Par Value June 30, 2010	Name and Location of Safekeeper
Bank of America	FNCL Pool-995023 5.5%, Due August 1, 2037	2,461,315	Bank of America
Valley National Bank	Las Cruces, NM Gas Tax Revenue June 1, 2016; 51748PAP9	250,600	Valley National Bank Espanola, NM
Valley National Bank	Torrance County, NM August 1, 2013; 891398AX7	300,495	Valley National Bank Espanola, NM
Valley National Bank	FNMA Pool #665403 September 1, 2017; 31391FGL6	697,338	Valley National Bank Espanola, NM
Valley National Bank	FNMA #256808 July 1, 2037; 31371NGR0	1,555,474	Valley National Bank Espanola, NM
Valley National Bank	FNMA Pool #257135 March 1, 2038; 31371NSY2	1,503,142	Valley National Bank Espanola, NM
Valley National Bank	FNMA Pool #254908 September 1, 2023; 31371LDM8	557,467	Valley National Bank Espanola, NM
Valley National Bank	FHLMC GOLD #N32210 August 1, 2038; 31281CN38	368,268	Valley National Bank Espanola, NM
Valley National Bank	FNMA Pool #785823 July 1, 2019; 31405DAY3	583,860	Valley National Bank Espanola, NM
Valley National Bank	Belen, NM Gross Receipts Tax Revenue; June 1, 2019; 077571CK1	280,741	Valley National Bank Espanola, NM
Valley National Bank	FHLMC Pool #P50483 May 1, 2035; 31288LRC7	1,646,105	Valley National Bank Espanola, NM
Valley National Bank	FNMA Callable February 23, 2024; 3136FHBF1	578,577	Valley National Bank Espanola, NM
Valley National Bank	FNMA Pool #256530 December 1, 2036; 31371M4P9	897,818	Valley National Bank Espanola, NM
Valley National Bank	Dulce, NM Independent School District; July 1, 2011; 264430FV6	524,208	Valley National Bank Espanola, NM
Valley National Bank	Questa, NM Independent School District; September 1, 2024; 748352CS7	296,563	Valley National Bank Espanola, NM
Valley National Bank	Questa, NM Independent School District; September 1, 2028; 748352DB4	351,783	Valley National Bank Espanola, NM
Valley National Bank	University of New Mexico Valencia Country BR CMTY August 1, 2017; 914696DA4	265,358	Valley National Bank Espanola, NM
Valley National Bank	Espanola, NM Gross Receipts Tax March 1, 2023; 29662HDA5	202,610	Valley National Bank Espanola, NM
Valley National Bank	FNMA Pool #MA0127 June 1, 2039; 31417YD95	1,211,994	Valley National Bank Espanola, NM
Valley National Bank	FNMA Pool #735893 October 1, 2035; 31402RRN1	1,533,546	Valley National Bank Espanola, NM
Valley National Bank	FNMA #MA0213 October 1, 2038; 31417YGX9	1,779,267	Valley National Bank Espanola, NM
<b>Total District</b>		<u>17,846,528</u>	

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2010**

Schedule III

Bank Account Type/Name	Valley National Bank	Bank of America	State of New Mexico	Totals
<b>Valley National Bank</b>				
Checking - Accounts Payable	\$ 1,715,089	\$ -	\$ -	\$ 1,715,089
Checking - Federal	2,140,029	-	-	2,140,029
MMA Investment II 88607506	6,408,947	-	-	6,408,947
<b>Bank of America</b>				
Checking - Payroll	-	1,699,045	-	1,699,045
<b>State of New Mexico</b>				
LGIP Fund (Pool-4102)	-	-	14,986	14,986
LGIP Fund (Pool-4101)	-	-	572,558	572,558
<b>Total On Deposit</b>	<b>10,264,065</b>	<b>1,699,045</b>	<b>587,544</b>	<b>12,550,654</b>
<b>Reconciling Items - District</b>	<b>(1,695,315)</b>	<b>(496,787)</b>	<b>-</b>	<b>(2,192,102)</b>
<b>Reconciled Balance June 30, 2010</b>	<b><u>\$ 8,568,750</u></b>	<b><u>\$ 1,202,258</u></b>	<b><u>\$ 587,544</u></b>	<b>10,358,552</b>
<b>Less: Fiduciary funds</b>				<b>566,680</b>
<b>Combined Balance Sheet Total June 30, 2010</b>				<b><u><u>\$ 9,791,872</u></u></b>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2010**

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2009	702,275	-	292,272	-	140,570
Add:					
2009-10 revenues	32,357,858	1,912,087	171,063	1,836,926	141,673
Loans from other funds	-	14,168	-	112,217	-
Total cash available	33,060,133	1,926,255	463,335	1,949,143	282,243
Less:					
2009-10 expenditures	(30,928,323)	(1,926,255)	(463,214)	(1,949,143)	(198,535)
Loans to other funds	(2,226,309)	-	-	-	-
Permanent Cash Transfer	(105,891)	-	-	-	-
Fiduciary Funds	(566,680)	-	-	-	-
Held Checks	1,720,178	-	-	-	-
Cash, June 30, 2010	953,108	-	121	-	83,708

The accompanying notes are an integral part of these financial statements

Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	State Direct 28000
372,753	100,404	471,879	17,268	310,370	805
7,733	3,524,148	3,471,911	841,492	429,438	-
-	1,514,435	99,695	242,801	110,322	3,348
380,486	5,138,987	4,043,485	1,101,561	850,130	4,153
(142,186)	(5,196,355)	(3,563,038)	(860,184)	(569,922)	(3,348)
-	-	-	-	-	-
-	105,891	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
238,300	48,523	480,447	241,377	280,208	805

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**CASH RECONCILIATION**  
**JUNE 30, 2010**

	Local / State 29000	Bond Building Account 31100	Public School Capital Outlay 31200	Spec. Capital Outlay-Local 31300	Spec. Capital Outlay-State 31400
Cash, June 30, 2009	91,028	3,476,454	-	-	-
Add:					
2009-10 revenues	197,480	63,323	-	-	33,470
Loans from other funds	-	-	9,323	-	120,000
Total cash available	288,508	3,539,777	9,323	-	153,470
Less:					
2009-10 expenditures	(169,920)	(36,307)	(9,323)	-	(153,470)
Loans to other funds	-	-	-	-	-
Permanent Cash Transfer	-	-	-	-	-
Fiduciary Funds	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Cash, June 30, 2010	118,588	3,503,470	-	-	-

The accompanying notes are an integral part of these financial statements



Cap. Improv. SB 9 31700	Ed Tech Equipment 31900	Debt Service Fund 41000	Deferred Sick Leave 42000	Ed Tech Debt Service 43000	Total
59,370	1,294,286	2,679,834	67,910	394,011	10,471,489
217,889	17,732	2,346,358	-	466,057	48,036,638
-	-	-	-	-	2,226,309
277,259	1,312,018	5,026,192	67,910	860,068	60,734,436
(253,532)	(503,541)	(2,514,135)	-	(429,022)	(49,869,753)
-	-	-	-	-	(2,226,309)
-	-	-	-	-	-
-	-	-	-	-	(566,680)
-	-	-	-	-	1,720,178
23,727	808,477	2,512,057	67,910	431,046	9,791,872

The accompanying notes are an integral part of these financial statements

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**COMPLIANCE SECTION**

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# Griego Professional Services, LLC

Certified Public Accountants

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Hector Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Espanola Public School District  
Espanola, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the discretely presented component unit, the aggregate remaining fund information, the budgetary comparisons of the general funds and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Espanola Public School District, New Mexico (“District”), as of and for the year ended June 30, 2010, and have issued our report thereon dated January 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Espanola Public School District, New Mexico’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses identified as FS 07-02, FS 10-04 and FS 10-05.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies identified as FS 04-03, CS 06-04, FS 07-06, FS 07-07, FS 10-01, FS 10-02, FS 10-03, FS 10-06, FS 10-08, FS 10-10, FS 10-12, FS 10-13, FS 10-14, FS 10-15, FS 10-16, FS 10-17, FS 10-18, FS 10-19, FS 10-20, FS 10-21, FS 10-22, and CS 10-24.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Espanola Public School District, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item FS 04-03, CS 06-04, FS 07-02, FS 07-05, FS 07-06, FS 07-07, FS 10-01, FS 10-02, FS 10-03, FS 10-05, FS 10-07, FS 10-08, FS 10-09, FS 10-11, FS 10-12, FS 10-13, FS 10-14, FS 10-15, FS 10-16, FS 10-17, FS 10-18, FS 10-19, FS 10-20, FS 10-21, FS 10-22 and FS 10-23.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the agency's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Education, others within the organization, the audit committee, the Office of the State Auditor, New Mexico State Legislature, New Mexico Public Education Department, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Albuquerque, New Mexico  
January 10, 2011

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**FEDERAL FINANCIAL ASSISTANCE**

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# Griego Professional Services, LLC

Certified Public Accountants

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Española Public School District  
Española, New Mexico

### Compliance

We have audited Espanola Public School District, New Mexico's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Espanola Public School District, New Mexico's major federal programs for the year ended June 30, 2010. Espanola Public School District, New Mexico's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Espanola Public School District, New Mexico's management. Our responsibility is to express an opinion on Espanola Public School District, New Mexico's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Espanola Public School District, New Mexico's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Espanola Public School District, New Mexico's compliance with those requirements.

As described in items FA 10-01 and FA 10-03 in the accompanying schedule of findings and questioned costs, Espanola Public School District, New Mexico did not comply with requirements regarding cash management and capital assets that are applicable to its major programs, specifically, Title I. Compliance with such requirements is necessary, in our opinion, for Espanola Public School District, New Mexico to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Espanola Public School District, New Mexico complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

Management of Espanola Public School District, New Mexico is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Espanola Public School District, New Mexico's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FA 10-01 and FA 10-03 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs to be significant deficiencies identified as item FA 10-02.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the agency's response and, accordingly, we express no opinion on it. This report is intended solely for the information and use of the audit committee, management, the Board of Education, others within the organization, the Office of the State Auditor, New Mexico State Legislature, New Mexico Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
January 10, 2011

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2010**

Schedule V  
(Page 1 of 2)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
<b>U.S. Department of Education</b>			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	1,657,578
Title I School Improvement (1)	24162	84.010A	161,284
Title I School Improvement - ARRA(1)	24262	84.010A	113,412
Title I - IASA Federal Stimulus (1)	24201	84.010	138,822
IDEA B Entitlement (1)	24106	84.027	784,846
IDEA B Entitlement (1) - Charter School	24106	84.027	6,913
IDEA-B Discretionary	24107	84.027	5,249
IDEA B Pre-School (1)	24109	84.173	19,039
IDEA-B-Federal Stimulus (1)	24206	84.027	581,318
Preschool IDEA-B - Federal Stimulus (1)	24209	84.173	21,692
Homeless Children and Youth	24113	84.196	3,200
EETT Partnership	24149	84.318X	81,097
EETTT Partnership-Federal Stimulus	24249	84.318X	219,491
Title III	24153	84.365	197,007
Title II	24154	84.367A	442,287
Safe and Drug Free Schools	24157	84.184	6,956
Rural & Low Income Schools	24160	84.358B	287,050
Reading First	24167	84.357A	401,634
Carl Perkins	24174	84.048	69,707
Navajo Red Road	25111	84.184A	329,825
Impact Aide-Special Education	25145	84.041	19,308
Impact Aide-Indian Education	25147	84.041	2,838
Impact Aide-Public Law	11000	84.041	109,883
Indian Education Formula Grant	25184	84.060A	38,338
SEG-ARRA (1)	25250	84.039	2,821,941
<i>Subtotal - U.S. Department of Education</i>			8,520,715
<i>Total - Department of Education</i>			8,520,715
<b>U.S. Department of Agriculture</b>			
<i>Passthrough State of New Mexico Department of Education</i>			
National School Lunch Program (1)	21000	10.555	1,811,084.00
USDA Commodities	21000	10.550	106,948
<i>Direct U.S. Department of Agriculture</i>			
Forest Reserve	10000	10.670	837,173
<i>Subtotal -U.S. Department of Agriculture</i>			2,755,205

(1) Denotes Major Federal Financial Assistance Program

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2010**

Schedule V  
(Page 2 of 2)

Federal Grantor or Pass-Through Grantor / Program Title	Federal CFDA Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Defense</b>			
ROTC - Charter School	25200	12.000	143,496
<b>Total Federal Financial Assistance</b>			\$ 11,419,416

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Gadsden Independent School (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The District did not provide any federal awards to subrecipients during the year.

3. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2010 was 106,948 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

**Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

Total Federal Financial Assistance	\$ 11,419,416
Total Charter School Federal Assistance	150,409
Total Federal Financial Assistance - Espanola Public Schools	11,269,007
Total expenditures funded by other sources	39,255,784
Total expenditures	50,524,791

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**Section I – Summary of Audit Results***Financial Statements:*

- |                                                                                  |           |
|----------------------------------------------------------------------------------|-----------|
| 1. Type of auditors' report issued                                               | Qualified |
| 2. Internal control over financial reporting:                                    |           |
| a. Material weakness identified?                                                 | Yes       |
| b. Significant deficiency identified not considered to be a material weaknesses? | Yes       |
| c. Control deficiency identified not considered to be a significant deficiency?  | Yes       |
| d. Noncompliance material to financial statements noted?                         | Yes       |

*Federal Awards:*

- |                                                                                                                       |             |
|-----------------------------------------------------------------------------------------------------------------------|-------------|
| 1. Internal control over major programs:                                                                              |             |
| a. Material weaknesses identified?                                                                                    | Yes         |
| b. Significant deficiency identified not considered to be material weaknesses?                                        | No          |
| c. Control deficiency identified not considered to be a significant deficiency?                                       | Yes         |
| 2. Type of auditors' report issued on compliance for major programs                                                   | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes         |
| 4. Identification of major programs:                                                                                  |             |

CFDA Number	Federal Program
84.010	Title I
84.027/84.173	Entitlement IDEA-B/IDEA-B Preschool
10.555	National School Lunch Program
84.039	SEG ARRA

- |                                                                             |           |
|-----------------------------------------------------------------------------|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |



**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**Section II – Financial Statement Findings**

**FS 04-03 Late Submission of Audit Report – Revised and Repeated**

*Condition:* The District's audit report for the year ended June 30, 2010 was not submitted to the State Auditor by the required due date, November 15, 2010. The report was submitted on January 10, 2011 and resubmitted March 21, 2011.

*Criteria:* Audit reports not received on or before the due date, November 15, are considered to be in non-compliance with requirements of Section 2.2.2.9.A of the State Audit Rule.

*Effect:* The result was the late submission of the District's audit report for the year ended June 30, 2010. The users of the audited financial statements and the District management do not have time information. In addition, untimely financial audits may affect federal and state funding.

*Cause:* The District's the experienced turnover in the Finance department in March 2010 and the financial records required the correction errors of the previous employees. In addition, new policies and procedures were required to be put in place to ensure future compliance.

*Auditors' Recommendations:* The District must prepare all necessary information and schedules to the auditor's timely. In addition, the District must ensure audit procedures are scheduled in a manner which allows for a timely submission of the financial statements to the State Auditor's Office.

*Management's Response:* Additional worked needed to be reviewed for the period back through FY 2005-2006 causing a delay in this report. Based on this additional work the District should be able to ensure that audit procedures are scheduled in a manner which will allow for timely submission are required by statute.

**FS 07-02 Capital Assets Accounting – Revised and Repeated**

*Condition:* The capital asset inventory listing is not maintained.

*Criteria:* Per NMAC 2.20.1.16 Annual Inventory, at the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$5,000) or more, under the control of the governing authority. In addition, all fixed assets shall be marked with tags. Each tag shall identify the agency owning the asset followed by a unique sequential fixed asset number so that each item may be positively identified. An agency may establish blocks of numbers for its sub-units to improve controls and avoid duplication of numbers.

*Effect:* The District is noncompliant with NMAC 2.20.1.16 and does not have internal controls implemented for safeguarding them and establishing accountability for their custody and use. The capital asset inventory listing was not complete and account balances may potentially be misstated as of June 30, 2010.

*Cause:* The District has experienced high turnover in key management positions during the past few years. As a result, there is a lack of proper training for capital assets and the District had not dedicated adequate resources to the Capital Assets function.

*Auditors' Recommendations:* The District must implement and formalize a policy relating to capital assets. The policy must be in compliance State Statute, which required tagging of capital assets and requires an annual inventory be performed as well as ensuring capital asset listing, including additions agree to the general ledger.

*Management's Response:* This has been an on-going issue since 2004 and is currently placed as a high priority with the new business office staff and administration. Individual school sites have manual reports that are being

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

incorporated into the Vision software. The IT department has all technology equipment files. All these files need to be incorporated and are currently being worked on.

**FS 07-05 Personnel Files and Payroll – Revised and Repeated**

*Condition:* During the payroll testwork, we noted the following:

- One out of twenty-five employees tested had I-9s missing signature of employer or authorized representative
- One out of twenty-five employees tested had ERB rates being calculated at the higher income level but, based on salary; it should have been calculated at the lower level. ERB was being over withheld by \$9.81.
- One out of twenty-five employees tested had a missing contract. This employee retired towards the end of FY 2009-2010 and his contract and supporting documents could not be located.

*Criteria:* NMAC 6.20.2.18 states that School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

*Effect:* The District is not in compliance with NMAC 6.20.2.18. This may cause employees to be under or over applied with retirement benefits or other deductions.

*Cause:* Turnover in the accounting department has resulted in personnel files not being completed and reports not being submitted timely.

*Auditors' Recommendation:* We recommend that the District review all personnel files and ensure that all required documentation is filed. Also, the District should ensure that all payroll deductions are correct. The District should review all leave balances for all employees and ensure that they are correct.

*Management's Response:* With the reorganization of the Business office and the Human Resources office all files have been audited, I-9s have been refilled separately from employee files, updated and verified against employee listings, all contracts have been researched and filed accordingly.

**FS 07-06 Bank Deposits – Revised and Repeated**

*Condition:* During our test work of internal controls for receipts we noted that three out of twenty deposits were not deposited within 24 hours.

*Criteria:* NMAC 6.20.2.14c states that money received shall be deposited in the bank within twenty-four (24) hours or one banking days.

*Effect:* Non-adherence to state statutes places the School in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud.

*Cause:* lack of following internal controls.

*Auditors' Recommendation:* The District should familiarize responsible employees with the New Mexico Administrative Code relating to Public Schools in order to ensure compliance with regulations and implement pre-numbered receipts into their receipting process. We recommend that the School emphasize the importance of timely deposits of receipts and monitor receipts more closely in order to be compliant with state statutes.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Management's Response:* The District adheres to the policy of having deposits made within a 24 hour period and has set up daily pick-up and delivery schedules. The Business office will redistribute this policy to each school site to make sure this policy is being adhered to.

**FS 07-07 Disaster Recovery Plan – Revised and Repeated**

*Condition:* The District has not formalized and implemented a disaster recovery plan to insure vital data is not compromised in the event of a disaster.

*Criteria:* The District should design and implement policies and procedures relating to a disaster recovery plan.

*Effect:* The formalized and implementation of a disaster recovery plan is essential to insure the safeguard of the Districts assets. In addition poor accounting practices, the lack of a proper disaster recovery plan may result in the District's inability to regenerate financial and school records, create difficulties in attempts with regards to insurance recoveries or create liabilities due to a lack of information with regards to payments to vendors and/or employees.

*Cause:* The District has implemented many policies and procedures within it's operations, however, a disaster recovery plan has not been given a high priority.

*Auditors' Recommendation:* A formal disaster recovery plan should be formalized and implemented by the District. The plan must include an accurate listing of District assets and incorporate the District's financial records.

*Management's Response:* Significant process has been made in developing a disaster recovery plan and is now being finalized. The recovery plan includes outlining the school district and should be available prior to year end.

**FS 10-01 Budgetary Conditions**

*Condition:* The School has expenditure functions in which actual expenditures exceeded budgetary authority in several funds. Actual expenditures exceeded budgetary authority by a total of \$303,757. See footnote for more detailed information.

*Criteria:* Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. School districts legal level of control is determined by expenditure function.

*Effect:* As a result, the School is in non-compliance with New Mexico state law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

*Cause:* The School did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to the year-end.

*Auditors' Recommendation:* The School must establish a policy of budgetary review at year-end and make the necessary budget adjustment requests (BAR's). All BAR's and or adjusting journal entries should be requested through the proper process at the Public Education Department and be approved prior to year end.

*Management's Response:* With the reorganization of the business office monthly reviews are being made and adjustment are being made accordingly so that this condition does not exist in the current year.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**FS 10-02 Lack of Supporting Documentation**

*Condition:* During our test work of cash disbursements, we noted three instances in which the District did not maintain adequate and complete documentation related to the transaction tested.

*Criteria:* NMAC 6.20 2.14: Protection of records requires that the administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated.

*Effect:* The School is in a violation of NMAC 6 20 2.14 which requires the maintenance of financial transaction files for all transactions processed by a State agency. Lack of complete and accurate documentation may result in questions regarding validity, allow ability and authorization of financial transaction processed. .

*Cause:* Records were not properly completed and maintained in accordance with State Statute. Records may have been misfiled or inadvertently lost during turnover or filing procedures.

*Auditors' Recommendation:* We recommend that personnel in charge of documents review the proper procedures for maintaining documents, and seek to establish improved controls over the handling of these documents. A periodic review of supporting documentation may be advisable to ensure compliance with the State Statute.

*Management's Response:* Pre-audit work is being done with the reorganization of the Accounts Payable area to minimize this condition in the current and subsequent years.

**FS 10-03 Lack of Supporting Documentation – Travel & Per Diem**

*Condition:* During our testwork we noted that three out of ten travel & per diem transactions tested did not have process the proper mileage rates for reimbursement to employees.

*Criteria:* NMAC 6.2.2.24 (c) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors.

*Cause:* The District appears to have processed the reimbursement requests at the incorrect rates as allowed by the State of New Mexico.

*Effect:* The lack of enforcing the District's policies and procedures regarding supporting documentation of travel & per diem may result in personal expenses being reimbursed by the District for out-of-town trips.

*Auditors' Recommendation:* The District must enforce policies and procedures that are set in place by the State of New Mexico as it relates to mileage rates for travel & per diem.

*Management's Response:* Pre-audit work is being done with the reorganization of the Accounts Payable area to minimize this condition in the current and subsequent years.

**FS 10-04 Grants Receivable**

*Condition:* In certain instances, grant receivables for fiscal year 2010 have been outstanding since the prior fiscal year. Requests for reimbursement were not made timely to ensure proper cash flow to cover operational activities within funds. Due to this situation, the District maintained reimbursements from previous years which will not be granted.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Criteria:* Grant reimbursement requests should be submitted in a timely manner to Federal, State and Local agencies to ensure maximum use of grant resources as well as to maintain sufficient balances within the general fund and to ensure “loans” are not required from other funds.

*Effect:* The District did not receive funds in a timely manner from granting agencies and/or did not request reimbursements timely to ensure shortfalls in cash were avoided. As a result, the District’s operational and other funds were used to cover any excessive shortfalls in other funds.

*Cause:* It appears that turnover in staff during the 2010 fiscal year and the need for the new, experienced staff to catch-up on requests which were already late delayed requests for reimbursements from granting agencies.

*Auditors’ Recommendations:* The District must ensure that all requests for reimbursements are submitted in a timely manner. In addition, follow-up procedures related to reimbursements not received with a reasonable time must be implemented. The Districts is already experiencing cash shortfalls and current budget restrictions may accentuate this issue.

*Management’s Response:* The school district has audited grants and contracts back to 2005-2006 and have identified any grants and contracts that had not been billed and are working with the state to correct these billing. With the reorganization of the Business office billings are currently being done on the 1<sup>st</sup> and 15<sup>th</sup> of each month to insure that no additional requests are delayed.

**FS 10-05 Depreciation**

*Condition:* The District has not maintained an accurate and up-to-date depreciation system; as a result assets were not being depreciated correctly and depreciation was understated within the sample selection by \$1,866.

*Criteria:* Per NM Statute 2.20.1.8 Fixed Asset Accounting System: Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation, betterments and dispositions.

*Effect:* Inaccurate depreciation calculation may misstate financial statements and could potentially affect bond issuances as depreciation calculation affects the Districts net asset presentation.

*Cause:* The Districts’ depreciation system is incorrectly depreciating its capital assets and corrections are not being processed. The District has not dedicated sufficient resources to the Capital Asset Function to ensure depreciation is properly maintained.

*Auditors’ Recommendation:* The District must correct the depreciation calculation to ensure it depreciates all assets using appropriate methods of depreciation. The system should utilize historical cost and calculate accurate beginning accumulated depreciation and depreciation expense amounts annually. A review process must be implemented to ensure depreciation is processed accurately.

*Management’s Response:* The District is working to correct this situation along with the capital asset finding.

**FS 10-06 Deficiencies in Internal Control Structure Design**

*Condition:* The District does not have a current comprehensive documented internal control structure. We noted the District has not updated procedural manuals on a timely basis, including key internal control procedures entity wide or for daily operating activities.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Criteria:* NMAC 6.20.2.11 states:

- Every District shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

*Effect:* The District has not maintained a formal policy and procedure manual. The lack of formally written policies and procedures may result in grant noncompliance and/or potential errors and misstatements in times of personnel turnover and personnel reductions.

*Cause:* The District has not formally written all internal control policies and procedures in accordance with NMAC 6.20.2. The District has written some policies and procedures within departments, but has relied on the PED supplement manual for other areas. The PED supplement manual has not been updated in some areas of internal control compliance.

*Auditors' Recommendation:* The District should update and complete its documented comprehensive internal control structure and ensure that it is followed.

*Management's Response:* With the reorganization of the Business Office and the hiring of qualified staff each internal control procedure is being review, rewritten and updated so that all internal controls are documented.

**FS 10-07 ERB Reports and Contributions**

*Condition:* During our testwork, we noted that the contributions according to the monthly reports did not agree to the general ledger. The reports submitted to the Education Retirement Administration should agree with the District general ledger for the fiscal year.

*Criteria:* NMAC 2.82.9.8 (C) requires that monthly contributions from employees and local administrative units be postmarked no later than the 15<sup>th</sup> day of the month following the month for which the contributions are withheld. Those contributions must be accurately reported and agree to District financial records.

*Effect:* It appears ERB reports either have not been filed inaccurately or filed without reconciliation to the general ledger. Lack of proper internal control and reconciliation over ERB and RHC reporting may result in fines and penalties.

*Cause:* It appears that the District did not record reconcile the ERB report with the general ledger.

*Auditors' Recommendations:* The District should implement policies and procedures to ensure that reports are reconciled with the general ledger and submitted in a timely manner. It is essential that reports be verified for accuracy before submission. Also, all employee files should be reviewed to ensure that correct contribution rates are applied.

*Management's Response:* New business office staff is working to correct this situation and are implementing monthly reconciliations to these accounts against the general ledger.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**FS 10-08 Cash Disbursements – Cash Controls**

*Condition:* During our testwork of purchase card disbursements, GPS noted the following instances of noncompliance having tested six months of statements totaling \$71,244.82:

- Two transactions tested did not have adequate supporting documentation with a statement balance totaling \$33,076.97.
- One expenditure was coded to the incorrect fund with a statement balance of \$7,142.03.
- Two transactions in which the District allowed for the purchase of gift cards for local vendors with associated statement balances of \$14,589.96.

*Criteria:* NMAC 6.20 2.14: Protection of records requires that the administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated.

*Cause:* Policies and Procedures that the school has adopted for cash disbursements, specifically maintaining front and back copies of cancelled checks, are not being enforced.

*Effect:* The lack of enforcing NMAC 6.20.2.14 policies and procedures may result in the non-authorized purchase of goods and/or services, or fraudulent endorsements of disbursement checks.

*Auditors' Recommendation:* The District must enforce policies and procedures that are set in place for the maintenance of disbursement checks related to purchase card usage.

*Management's Response:* Pre-audit work is being done with the reorganization of the Accounts Payable area to minimize this condition in the current and subsequent years.

**FS 10-09 Personal Use of Public Vehicle**

*Condition:* During our test work we found 4 instances where the employee's personal use of vehicle was not included on their W-2.

*Criteria:* 2.2.2.H.A.(ii) states personal use of a public vehicle must be included on the employees W-2.

*Effect:* Not having supporting documentation could make the Schools more vulnerable to incidents of fraud within travel related expenditures,

*Cause:* Lack of internal controls in payroll lead to the finding, along with the District unaware of the requirement.

*Auditors' Recommendation:* We recommend that the district adopt a policy to require that fringe benefits are included so that the district may be in compliance with NMAC and IRS.

*Management's Response:* This situation has been corrected and all 4 employees will be receiving this information on their 2010 W-2 forms. Only one individual not has a car checked out to them to answer emergency calls.

**FS 10-10 Bank Reconciliations**

*Condition:* The District is not completing accurate bank reconciliations in a timely manner. During the audit when the auditors tested cash balances, the District was unable to provide the auditors with correct bank reconciliations until after more than a month of fieldwork and several attempted reconciliations. The final reconciliations were not reconciled to the general ledger.

*Criteria:* Good accounting practice requires that bank reconciliations be performed monthly. PSAB Supplement 7 requires that Districts perform bank reconciliations timely.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Effect:* Without performing bank reconciliations timely, incorrect posting to the general ledger will not be recognized. It is often difficult to detect fraudulent activity if bank reconciliations are not performed timely. Fraudulent transactions can take place and not be detected.

*Cause:* The District staff fell behind in reconciling the bank statements due to their heavy work load and due to turnover issues within the finance department. The outstanding reconciling items have not been correctly posted to the general ledger because the previous District staff did not understand the need to post these items and how they should be posted.

*Auditors' Recommendation:* We recommend that the District perform bank reconciliations on a monthly basis and be reviewed by the Superintendent. If the inter-fund reconciling items were recorded in the general ledger as inter-fund payables and receivables and balanced monthly, we believe it would be easier for the District to achieve the objective of completing correct bank reconciliations timely.

*Management's Response:* The school district has hired staff to correct this situation.

**FS 10-11 PED Cash Report**

*Condition:* The District's cash report to the PED was not submitted in final form by the July 31, 2010 deadline. The report did not agree to the District's general ledger. The report did not encompass all necessary information to reconcile the PED report to the District's general ledger.

*Criteria:* According to State regulation 6.20.2.11 (b) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger and must be finalized by July 31 following year end.

*Effect:* The school is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in poor decision making by the District's governing board.

*Cause:* The District was unable to gather information to complete the final PED report submission due to lack of information provided by the prior auditor and due to mistakes made by the previous finance department personnel.

*Auditors' Recommendation:* All reports sent to PED must agree to the general ledger and must be finalized prior to the PED's stipulated deadlines. We recommend that all reports are reviewed before being submitted to PED.

*Management's Response:* The school district is working with PED and submitted information on a monthly basis and is working to correct any general ledger discrepancies. The July 31, 2010 cash report was finalized and approved the PED shortly after July 31, 2010.

**FS 10-12 Segregation of Duties**

*Condition:* An experienced business manager was hired during fiscal year 2010. The previous Business Manager performed all of the duties related to cash, payroll and disbursements without review.

*Criteria:* Segregation of duties in all accounting processes as indicated in NMAC 6.20.2.11 is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

*Effect:* Segregation of duties and strong internal control policies, prevent and reduce the risk that errors or irregularities may be made without detection. A lack of segregation of duties makes the School vulnerable to the threat of loss or theft of revenue from fraudulent activities.



**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Cause:* The lack of an experienced business manager made it difficult to implement and maintain segregation of duties.

*Auditors' Recommendation:* The District should develop a formal review process for all transaction cycles. The District should segregate duties as much as is possible with limited resources and have an acceptable method to review and approve cash, payroll and disbursement transactions.

*Management's Response:* With the reorganization of the Business Office duties have been distributed to provide for additional checks and balances to minimize any risk of fraudulent activities.

**FS 10-13 Segregation of Duties**

*Condition:* An experienced business manager was hired during fiscal year 2010. The Business Manager performs all of the duties related to payroll and disbursements without review.

*Criteria:* Segregation of duties in all accounting processes as indicated in NMAC 6.20.2.11 is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

*Effect:* Segregation of duties and strong internal control policies, prevent and reduce the risk that errors or irregularities may be made without detection. A lack of segregation of duties makes the School vulnerable to the threat of loss or theft of revenue from fraudulent activities.

*Cause:* Prior to the current, experienced business manager being hired November 2009, the lack of an experienced business manager made it difficult to implement and maintain segregation of duties.

*Auditors' Recommendation:* The School is beginning to develop a formal review process for all transaction cycles. The School should segregate duties as much as is possible with limited resources and have the Principal or Board review and approve payroll and disbursements.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. Procedures have been implemented for review and approval of all payroll and disbursements.

**FS 10-14 Internal Control Structure Standards**

*Condition:* Based on our observations the School did not maintain adequate or properly formalized internal control policies and procedures.

*Criteria:* NMAC 6.20.2.11 states that every school shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures, and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

*Effect:* The School is not in compliance with NMAC 6.20.2.11.

*Cause:* The school did not hire an experienced business manager until March of 2010 and found it difficult to implement and formalize proper internal control policies and procedures.

*Auditors' Recommendations:* The School should have properly formalized and written internal controls policies and procedures.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved proper internal control policies and procedures. The procedures were formally adopted at a board meeting on June 30, 2010.

**FS 10-15 Bank Reconciliations**

*Condition:* During our testwork of cash, GPS noted the following:

- Nine out of twelve bank reconciliations had stale dated checks (checks outstanding longer than one year).
- Twelve out of twelve bank reconciliations had no signature stating they were reviewed and approved
- Eight out of twelve bank reconciliations were not performed within a timely manner (one month or sooner).

*Criteria:* According to 6.20.2.14 K, all bank accounts shall be reconciled on a monthly basis. Part of this process should include review of reconciling items such as outstanding checks, deposits in transit and other reconciling items. Items older than three months should be investigated and items older than one year should be removed from the reconciliation. The Charter School may be required to turn these funds over to the State's Unclaimed Property Division.

*Cause:* The Charter School had not been reconciling their bank accounts timely, had not been taking appropriate action with regards to items older than one year and was not having a member of management review and sign off on bank reconciliations.

*Effect:* The Charter School's bank reconciliations are more time consuming to prepare as there are so many stale dated items. Also, the reconciliations are not as accurate as they would be if the stale dated items were removed. The Charter School did not have an accurate picture of their cash balances on a monthly basis. The Charter School is at a greater risk for fraud to occur because the bank reconciliations are not being approved by someone other than the person performing them.

*Auditors' Recommendation:* The Charter School should review bank reconciliations more closely and investigate items outstanding for more than three months. Items included on bank reconciliations that are older than one year should be removed and, as mentioned above, the funds may be required to be turned over to the State's Unclaimed Property Division. The Charter School should be preparing bank reconciliations in a timely manner and have someone other than the person performing the bank reconciliations approve and review them.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. Procedures have been implemented that require the separation of duties for the person reconciling the bank account and the person reviewing the reconciliation. The bank reconciliation is also presented to the finance committee.

**FS 10-16 Internal Controls Over Journal Entries**

*Condition:* The Charter School does not have adequate internal controls over journal entries entered into its accounting system. Two out of fifteen receipts tested had a journal entry that was made several days after the deposit was made:

- The deposit for a State Equalization Guarantee was made on 4/15/10, but the journal entry was not made until 5/14/10.
- The deposit for an AFLAC reimbursement was made on 7/9/09, but the journal entry was not made until 7/28/09.

*Criteria:* State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures documenting

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends entry, review and approval of all journal entries.

*Cause:* The Charter School is not following procedures on making journal entries.

*Effect:* Without timely journal entries, errors or irregularities could go undetected and cause financial statements to be misstated.

*Auditors' Recommendation:* We recommend the School update their policies and procedures manual regarding the entry, review, and approval of manual journal entries.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved proper internal control policies and procedures. The procedures were formally adopted at a board meeting on June 30, 2010.

**FS 10-17 Lack of Supporting Documentation – Receipts**

*Condition:* During our testwork we noted the following:

- Nine out of fifteen receipts tested had a receipt missing from the receipt batch
- Four out of fifteen receipts tested did not have a deposit slip to match with the bank statement

*Criteria:* NMAC 6.2.2.24 (c ) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors.

*Cause:* The Business Manager stated that the prior Business Manager did not maintain receipts and deposit slips, resulting in several receipts and deposit slips unable to be found.

*Effect:* The lack of enforcing the School's policies and procedures regarding supporting documentation of receipts may result in cash being fraudulently taken.

*Auditors' Recommendation:* The School must enforce polices and procedures that are set in place for maintaining supporting documentation for receipts.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved proper internal control policies and procedures. The procedures were formally adopted at a board meeting on June 30, 2010. We will continue to emphasize the procedures with the staff.

**FS 10-18 Lack of Internal Controls – Receipts**

*Condition:* During our testwork we noted that for two out of fifteen receipts tested, the receipt batch total did not match with the deposit and the bank statement total.

- Amount of receipt batch totals \$800.39 whereas the amount of the deposit and the bank statement totals \$800.75. This is a difference of \$0.36
- Amount of receipt batch totals \$680 whereas the amount of the deposit and the bank statement amount is \$685. This is a difference of \$5.00

*Criteria:* 6.20.2.11(b) Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

*Cause:* Receipts were not being reviewed by authorized personnel. The Business Manager stated that people have brought in cash for various items, whether it be for lunch, fundraising, or donations, and they did not have enough money to pay. They would tell the clerk they would bring more cash during their next visit and the clerk would still write a receipt for the total amount rather than the exact amount received.

*Effect:* The lack of enforcing the School's policies and procedures regarding receipts, may result in the accounting records not matching with actual cash received.

*Auditors' Recommendation:* The School must enforce policies and procedures that are set in place for maintaining supporting preparation of receipts.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved proper internal control policies and procedures. The procedures were formally adopted at a board meeting on June 30, 2010. The controls continue to be reviewed with staff that are responsible for receipting money.

**FS 10-19 Lack of Supporting Documentation – Travel & Per Diem**

*Condition:* During our testwork we noted that two out of five travel & per diem transactions tested did not have supporting documentation.

*Criteria:* NMAC 6.2.2.24 (c) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors.

*Cause:* Supporting documentation could not be located by the clerk for these two transactions, one for a hotel stay and another for parking fees.

*Effect:* The lack of enforcing the School's policies and procedures regarding supporting documentation of travel & per diem may result in personal expenses being reimbursed by the Charter School for out-of-town trips.

*Auditors' Recommendation:* The School must enforce policies and procedures that are set in place for maintaining supporting documentation for travel & per diem.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved proper internal control policies and procedures. The procedures were formally adopted at a board meeting on June 30, 2010. Forms were given to staff to help with this process.

**FS 10-20 Payroll Violations**

*Condition:* During the payroll testwork, we noted the following:

- Three out of fifteen employees tested had I9s missing signature of employer or authorized representative
- One out of fifteen employees tested had no I9 or W4 on file
- Three out of fifteen employees did not have an insurance authorization or exemption form in their personnel file
- Two out of fifteen employees tested had insurance deducted at incorrect NMPSIA rates
- One out of fifteen employees tested did not have an education certificate on file

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Criteria:* NMAC 6.20.2.18 states that School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

*Effect:* The Charter School is not in compliance with NMAC 6.20.2.18. This may cause employees to be under or over applied with retirement benefits or other deductions.

*Cause:* The Charter School is not in compliance with NMAC 6.20.2.18. The Business Manager stated that the prior Business Manager did not accurately maintain payroll records or employee deductions.

*Auditors' Recommendation:* We recommend that the Charter School review all personnel files and ensure that all required documentation is filed. Also, the Charter School should ensure that all payroll deductions are correct. The Charter School should review all leave balances for all employees and ensure that they are correct.

*Management's Response:* Controls have been reviewed with the staff responsible for keeping employee files. NMPSIA billings are also being reconciled monthly to insure the deductions are correct.

**FS 10-21 Payroll Deductions**

*Condition:* During our testwork of payroll, we noted one instance out of fifteen tested where the employees annual salary does not recalculate to gross salary over twenty-six pay periods. The employee is actually being over paid each pay period by \$3.56.

*Criteria:* The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. NMAC 6.20.2.18.

*Cause:* Lack of a steady Business Manager increased the number of errors in the payroll process.

*Effect:* The incorrect rates were paid to the respective employee, causing the Charter School to overpay. If not corrected this may cause other employees to be overpaid.

*Auditors' Recommendation:* We recommend that the School emphasize the importance of properly calculating payroll.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. Payroll was reviewed and changes were made as necessary for incorrect calculations at the time the Coalition took over the financial management.

**FS 10-22 Lack of Supporting Documentation – Payroll**

*Condition:* During our testwork we noted one instance out of fifteen tested where the timesheet was unable to be found or provided for an employee.

*Criteria:* NMAC 6.2.2.24 (c ) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Cause:* Supporting documentation could not be located.

*Effect:* The lack of enforcing the School's policies and procedures regarding supporting documentation of payroll may result in employees being paid more than they actually worked.

*Auditors' Recommendation:* The School must enforce policies and procedures that are set in place for maintaining supporting documentation for payroll.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved proper internal control policies and procedures. The procedures require the school to turn a certification of time before payroll is processed.

**FS 10-23 ERA Reconciliations**

*Condition:* The Charter School did not correctly complete ERA reports or remit payments timely from July 2009 through December 2009. We noted that the general ledger balance was \$28,769 lower than the ERB reports. The general ledger balance for ERA employer contribution amount was \$13,375 higher than stated on the ERB reports.

*Criteria:* Monthly contributions to the Employee Retirement Act (ERA) were not being correctly completed by the employee responsible for preparing the reports.

*Cause:* It appears that payments were not correctly calculated because the employee preparing the reports did not have a complete understanding of making contribution calculations for the monthly ERB reports. The new business manager has taken over these responsibilities as of 1/1/10.

*Effect:* ERB contributions are incorrect and not properly recorded in the general ledger.

*Auditors' Recommendation:* The School must ensure that ERA reports are calculated and amounts are remitted in a timely manner. Amounts must be recorded properly in the general ledger.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved a process for insuring timely reporting and reconciliation.

**Component Unit Findings:**

**CS 06-04 Budgetary Conditions - Repeated**

*Condition:* The Charter Schools has expenditure functions in which actual expenditures exceeded budgetary authority in Instructional Materials Funds – Instruction, Non-Instructional Support Funds – Instruction, Public School Capital Outlay Capital Project Fund – Capital Outlay and Special Capital Outlay State Capital Project Fund – Capital Outlay. Actual expenditures exceeded budgetary authority by a total of \$49,606. See footnote for more detailed information.

*Criteria:* Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. Schools legal level of control is determined by expenditure function.

*Effect:* As a result, the Charter School is in non-compliance with New Mexico state law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

*Cause:* The School did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to the year-end.

*Auditors' Recommendation:* The School must establish a policy of budgetary review at year-end and make the necessary budget adjustment requests (BAR's). All BAR's and or adjusting journal entries should be requested through the proper process at the Public Education Department and be approved prior to year end.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009 and many of the issues existed prior that needed additional research. The school has implemented procedures for insuring adequate budgetary authority.

**CS 10-24 941 Reconciliations**

*Condition:* The Charter School's general ledger balance was \$102,132 higher than reported on the 941 reports.

*Criteria:* Quarterly 941 reports were not being correctly completed by the employee responsible for preparing the reports.

*Cause:* FICA and Medicare withholdings were not reported correctly on the General Ledger leading to a material difference.

*Effect:* 941s are being incorrectly reported.

*Auditors' Recommendation:* The School must ensure that 941 reports are calculated correctly. Amounts must be recorded properly in the general ledger.

*Management's Response:* The New Mexico Coalition of Charter Schools was contracted in November of 2009. The school has formalized and approved a process for insuring timely reporting and reconciliation.

**Section III – Federal Award Findings and Questioned Costs**

**FA 10-01 Cash Management**

Federal program information:

Funding agency:	All
Title:	All
CFDA number:	All
Award Year:	All
Award Number:	All

*Condition:* Grant reimbursement requests should be submitted in a timely manner to Federal, State and Local agencies to ensure maximum use of grant resources as well as to maintain sufficient balances within the general fund and to ensure "loans" are not required from other funds. Grant request for reimbursements should be submitted at least every 30 days. Grant reimbursements should be submitted in a manner where rejections are kept to minimum. All grants reimbursements should be monitored for payment pending status. The District should document its effort in collecting outstanding receivables with PED.

*Criteria:* According to NMAC 6.20.2.14 Cash Control Standards - A,. "School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations" and . NMAC 6.20.2.14 Cash Control Standards – E, "The school district shall verify

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

that there is sufficient cash and budget prior to the disbursement of cash. A revenue ledger is required for each revenue code as approved in the finalized budget, and additional revenue ledgers may be added as necessary.”

*Questioned Costs:* None.

*Effect:* On five occasions the District did not request funds in a timely manner from granting state/federal agencies. As a result, the District’s operational and other funds were used to cover any excessive shortfalls in these funds. On four occasions Request for Reimbursement were denied by PED, causing a delay in the reimbursement turnaround into the general fund.

*Cause:* It appears that the district has limited resources dedicated to federal program reimbursement tasks. This makes it difficult for staff to keep a consistent schedule for RFR submittal. A high turnover rate in federal program staff has contributed to a rough transition.

*Auditors’ Recommendation:* The District must ensure that all requests for reimbursements are submitted in a timely manner. In addition, follow-up procedures related to reimbursements not submitted or received with a reasonable time must be implemented.

*Management’s Response:* The school district has audited grants and contracts back to 2005-2006 and have identified any grants and contracts that had not been billed and are working with the state to correct these billing. With the reorganization of the Business office billings are currently being done on the 1<sup>st</sup> and 15<sup>th</sup> of each month to insure that no additional requests are delayed.

**FA 10-02 Time and Effort**

Federal program information:

Funding agency:	U.S. Department of Education
Title:	Title I
CFDA number:	84.010
Award Year:	2009
Award Number:	5010A090031A

*Condition:* Compliance requirements are that at least semi-annual certifications for hours or activities worked must be kept on file for all Title I employees. The certifications are not being maintained by the District.

*Criteria:* Circular A-133 Compliance Supplement states that; “*Schoolwide Programs* - Except as noted below, a school that consolidates Federal funds with State and local funds in a schoolwide program under 20 USC 6314 is not required to maintain separate records by program (20 USC 6314). (Note: Reading First funds cannot be consolidated-see *Federal Register*, Notice of Authorization and Exemption of Schoolwide Programs, July 2, 2004, 69 FR 40361-40362) The school may treat consolidated schoolwide funds as a “dedicated function.” As a result, an employee who works solely on activities supported with Federal, state, or local funds consolidated in a schoolwide program may meet the semi-annual certification requirement under OMB Circular A-87, Attachment B, paragraph 8.h.(3), either by submitting semi-annual certifications for the consolidated activities or through time and attendance certifications accomplished under an LEA’s normal standards for payroll documentation”

*Effect:* The District is not in compliance with Federal Grant requirements (Circular A-133).

*Cause:* Due to a turnover in federal program personnel, the District did not complete this requirement.

*Auditors’ Recommendation:* The District should implement a policy that gathers the necessary information, at least on a semi-annual basis.

*Management’s Response:* The District is looking into this to correct this situation.



**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**FA 10-03 Capital Assets**

Federal program information:

Funding agency:	U.S. Department of Education
Title:	Title I
CFDA number:	84.010
Award Year:	2009
Award Number:	5010A090031A

*Condition:* The capital asset inventory listing has not been updated to reflect information found on the physical assets in regards to tag numbers, location or category.

*Criteria:* The District is required to maintain records and have an appropriate control system to safeguard equipment.

*Questioned Costs:* Unable to determine.

*Effect:* The District's capital asset inventory listing was not complete and account balances are inaccurate.

*Cause:* The District incurred significant turnover in its accounting department and key position have not been filled.

*Auditors' Recommendation:* The District should make every effort to hire an employee to fill the capital assets position, and ensure personnel are properly trained. In addition, the capital assets database should provide complete information for each asset as to its asset type, cost, useful life, accumulated depreciation as well as tag number assigned and current location.

*Management's Response:* This has been an on-going issue since 2004 and is currently placed as a high priority with the new business office staff and administration. Individual school sites have manual reports that are being incorporated into the Vision software. The IT department has all technology equipment files. All these files need to be incorporated and are currently being worked on.

**Section IV – Prior Year Audit Findings**

FS 04-03 – Late Audit Report – *Revised and Repeated*  
FS 07-02 – Capital Assets Accounting– *Revised and Repeated*  
FS 07-05 – Personnel Files and Payroll– *Revised and Repeated*  
FS 07-06 – Deposit Exceptions – *Revised and Repeated*  
FS 07-07 – Disaster Recovery System – *Revised and Repeated*  
CS 06-02 – Carinos Charter School – General Accounting – *Resolved*  
CS 06-03 – Nonsubmission of Data Collection Forms - *Resolved*  
CS 06-04 – Overexpenditure of Budgets – *Revised and Repeated*  
CS 07-09 – Carinos Charter School – SAS 112 Compliance– *Resolved*  
CS 07-10 – Financial Statements Out of Balance – Carinos Charter School – *Resolved*  
CS 08-01 – Use of Incorrect Pledged Collateral – *Resolved*  
CS 09-01 – Lack of Segregation of Duties – *Resolved*  
CS 09-02 – Bidding on Similar Projects – *Resolved*  
CS 09-03 – Expenditures Exceptions – District – *Resolved*  
CS 09-04 – Espanola Military Academy Purchasing – *Resolved*  
FA 06-03 – Nonsubmission of Data Collection Forms – *Resolved*

**STATE OF NEW MEXICO**  
**ESPAÑOLA PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**Section V – Other Disclosures**

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on January 10, 2011. The following individuals were in attendance.

Española Public School District

Janette Archuleta, Superintendent

Joann Salazar, President

Floyd Archuleta, Vice President

Andrew Chavez, Secretary

Leonard Valerio, Member

Jose Archuleta, Member

Debbie Valdez, Business Manager

Vernon Jaramillo, Chancellor – Cariños Charter School

Griego Professional Services, LLC

J.J. Griego, Partner